High Pressure Stock Selling (Page 16)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

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The Nation's Business

Germany Pays For Dictated Economy
Parliament Closes Busy Session
Much of Legislation Is Momentous
Politics Dominate To Last Minute
Mr. Hepburn and Able Civil Servants

Germany's Lesson For Canadians

THE appalling news from Germany over the week-end did not interfere with the holiday happiness of the average Canadian. Germany seems so far away. And our news reactions have become jaded by excessive stimulation in the post-war period. Even if the French Revolution were to be fought out all over again it would arouse the man on the street in Canada to little more than passing interest. For that matter it might not even get the largest headline in the newspapers. In Toronto this week the affairs of a provincial premier were more important to one morning paper and the reform of penitentiaries more important to the other than the determined butchery of Herr Hitler.

Yet what is going on in Germany is a matter of transcendent importance. It is the inevitable result of casting out personal liberty from the State. A large part of Europe has returned to political absolutism and has rejected Democracy, which it never gave a thorough trial.

* * *

THE propagandists in Canada for new economic "isms" may not know it, but they are trying to undermine personal liberty here as it has been undermined in Europe. Those who preach Fascism or Communism, or any of the other forms of government, in which the individual is ruthlessly subjugated to the State, often see the advantages of a directed economic solidarity, of State-planned economy, without realizing the price that must be paid for it. Yet the new conception of the totalitarian state provides no room for personal liberty, for criticism, for weighing policies, even for counting noses. Those who rule the State must rule it by themselves and according to their own wishes. Power must protect power. Tyrants cannot share their despotism and they must be as ruthless as a Lenin, Mussolini or Hitler if they are to continue to rule.

It is not the people who rule in such a State; it is not the State that rules; it is the small group that has seized power and that must hold it by fire and sword.

Canadians will prefer their personal liberty to economic experimentation at such a price. We may well consider the preachers of Communism and Fascism as enemies of our freedom. And we may well think of Germany's bloody week-end as not unrelated to our own daily lives.

* * *

The Contrast at Ottawa

WHAT a contrast to European statecraft in 1934 was provided by the peaceful session of our own Parliament which closed this week. Here at least, Democracy functioned as the people's interests were advanced by attempts at constructive legislation, or retarded by mistakes made in the heat of the political partisanship that is the price we must pay for our liberties and our insurance against bloodshed in the streets.

It was a long and important session. It will take the country months, even years to absorb the legislation that was passed.

* * *

MOST momentous event of the session was implementing the recommendation of Lord Macmillan and his associates by providing for the creation of a Central Bank. In this projected enterprise there is vast power for good and vast power for harm. Its future direction will answer the question of whether or not it is to give Canada greater independence in monetary affairs or place us under the subjugation of Threadneedle Street. The possibility of the new bank becoming an instrument for London's international bankers to play upon and the dangers inherent in that possibility cannot be dismissed with contemptuous ridicule. They are inherent in the proposed banking set up with its brand-new monetary and currency system for Canada.

But if Parliament saw fit to give the country a new system of credit control it was unable to find anything materially wrong with the country's commercial banking system. The Bank Act received only minor amendments and the char-

(Continued on page 2, col. 3)

PRICE PROBE RANKS SPLIT OVER POLICY

Liberal Members Out of Sympathy With Methods

CHARGE UNFAIRNESS

Minority Report Inevitable Had Stevens Interim Report Recommended Any Legislation

From Our Own Correspondent

OTTAWA. — The report of the Price Spreads committee, while it confirmed the forecast of The Financial Post in every particular, should not be taken as an indication that unanimity of view obtains among the 11 members of the committee.

The report is unanimous for the reason that it expresses no opinions and attempts no recommendations, other than that the enquiry should be continued. A canvass of members taken during the dying days of the session revealed a complete absence of agreement. Had Hon. Harry Stevens, as the leader of the government majority in the enquiry, attempted to recommend legislation this session, the members would have split wide open and a minority report would have been inevitable.

Charge Unfairness

Liberal members, the more outstanding of whom are Ed. Young, of Weyburn, J. L. Ilsley, of Hants Kings, and Samuel Factor, of Toronto, are not in sympathy with the trend the enquiry has taken and are distinctly of the opinion that a calculated effort is being made to do serious injury to departmental and chain stores, as well as to certain classes of manufacturers who are not really guilty of industrial misconduct. They insist that the probe into department stores to date has been a travesty on fairness and justice—of which much more will be heard in Parliament at the appropriate time.

As an example of what is being done by the committee auditors under the instructions of those in control, attention is directed to page 3,794 of the printed evidence. Here the auditors engaged by the committee have set out to show in statistical form the price spreads on men's clothing. An item of 29 suits is given. This bill of goods was sold to the Eaton store of Toronto. The material cost the manufacturer $6.65, labor added $3.27; overhead 50 cents, bringing the total cost to $10.42. The manufacturer's gross profit was $1.33, of which his selling and administrative expense was $1.20, leaving a net profit of 13 cents. Eaton's bought the shipment at $11.75 and when the sales tax and freight are added, the store's laid down cost was $12.52.

Store's Costs Ignored

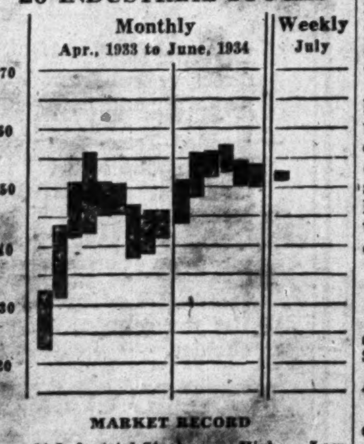
But whereas great care has been taken to follow the manufacturer's cost from start to finish, giving details of the spread between the cost of raw material and the sale price, the table published in the evidence wholly fails to do this act of ordinary justice to the departmental store.

The table gives the store's laid down cost at $12.52 and then gives the initial mark up as $7.48 and the initial sale price as $20—leaving the final picture in this perspective. The obvious intention is to make it appear as if the store extracted a huge profit on the transaction.

Had the store's cost of handling and sale been set with equal fidelity to detail, the facts with regard to the store's overhead and sales cost would have been included and, also, information as to how many of the 29 suits sold at the original mark-up would have been given. The table is prepared on the assumption that departmental stores sell all their goods at the original mark-up, give

(Continued on page 2, col. 7)

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of July 3	52.6	51.2
Week of June 26	53.0	51.0
Month of July, 1933	56.2	42.5
10 Public Utilities		
Week of July 3	52	50
Week of June 26	52	50
Month of July, 1933	59	50
8 Bank Stocks		
Week of July 3	179	176
Week of June 26	178	175
Month of July, 1933	198	178

U.S. Brokers Defer Shift To Canada

In July Canadian stock exchanges will operate with all their interlisted operations affected by the fact that the New York Stock Exchange is operating under the new Securities Exchange Act of 1934. The jaded trading of June was mainly due to apprehensions as to the effect of the

(Continued on page 2, col. 6)

DAIRY CORP. FATE HANGS IN BALANCE

Optimism Prevails That on July 9 All Interests Will Agree

The fate of Dairy Corp. hangs in the balance, with optimism predominating. The meeting of shareholders on July 3rd was adjourned to July 9 on the ground that a settlement of the various troubles which have beset the company appears almost certain.

John Jennings, K.C., who represented guarantors of the old Canada Dairies' debt to the Bank of Toronto, is understood to be sending out another letter to those shareholders who gave him proxies at the last meeting. In this new letter he is asking that the shareholders give him the right to use his own judgment as to whether or not the new plan will be accepted. As the guarantors are now the principal objectors this is taken to be a good augury.

On several occasions the reorganization plan of Dairy Corp. has been apparently on the point of acceptance when some new interest would find the plan unacceptable. A month ago settlement was made with the Bank of Toronto, which held a block of Dairy Corp. preferred stock as collateral for an old debt owed to the bank by Canada Dairies, subsidiary of Dairy Corp., in 1928, before it was taken over by Dairy Corp. The old directors of Canada Dairies were guarantors of this debt.

Banks Sit In

That settlement a month ago was approved by the guarantors of the loan made in 1928 by the Bank of Toronto, but was turned down by the Bank of Montreal. A week ago a settlement was made satisfactory to the Bank of Montreal, the Bank of Toronto and the company, but the guarantors did not like it. The guarantors are liable to a much larger amount than Dairy Corp. agreed to make good and it is understood that they have been fighting to get a settlement limiting the liability of each individual guarantor in connection with the balance due.

Because of a decision given by Mr. Justice Middleton and the proxies obtained, the guarantors had the whip hand and it is understood that those who have been fighting for a reorganization which would include shareholders, went to the meeting on July 3rd intending to throw up their hands. That meant that the debenture holders would proceed under the trust deed.

The assurance that next Monday all parties may have come to an agreement is taken to mean that the Bank of Toronto and its guarantors will have come to some understanding in the meantime. The suggestion that Silverwood's Dairies, Ltd., would consider taking over the company cannot be made effective unless the reorganization plan goes through or some settlement of various obligations is made.

Week's Figures Feature Decline In Construction

Construction contracts awarded in June declined considerably from the May level although the total was over 50 per cent ahead of June a year ago, according to figures released this week. The reduction from May took place chiefly in the engineering classification due to lower appropriations for relief work on roads, etc.

May automobile sales, as compiled by the Dominion Bureau of Statistics from returns from manufacturers producing approximately 90 per cent of the total Canadian output, show an 80 per cent increase over last year, the increase for the year to date being about the same percentage.

		— Change — From prev. period %	From prev. year %
Monthly	June, '34		
Constr. contracts	$12,208,900	—29.8	+51.0
Sugar, mfg.* lbs.	84,064,288	+102.1	—5.9
	May, '34		
Auto & truck sales .... No.	13,557	+12.2	+79.8
Do., ... $	14,000,151	+11.1	+89.9
Crude pete. imports .... gal.	98,879,935	+160.0	+17.7
Raw rubber imp. .... lbs.	4,967,810	—8.0	+30.0
Lumber exports .. M. ft.	112,777	+85.5	+40.9
Bank debits ..	$3,129,000,000	+23.4	+18.0
Weekly†			
W'sale prices index			
Car loadings, No.	44,436	—0.1	+11.6
Cattle sales, No.	12,203	+16.2	+10.9
Hog sales, No.	15,558	+1.2	[illegible]

*Four weeks period ended June 16.
†Weeks ended June 22, 23 28 and 28 respectively.

SPORADIC GAS WARS CROP UP IN BIG CENTRES

Major Companies Say Duties and Road Taxes Apparently Evaded

"HOT OIL" IMPORTED

Cannot Extend Far as U. S. Control Strengthening — Ontario Motor League Plan Still Obtains

Sporadic price wars in sale of gasoline have been noted of late in Toronto, Montreal and other centres of Eastern and Central Canada. These price wars are not regarded as likely to spread because the "hot oil," which is the source of supplies open to those underselling the regular line of companies, is understood to be limited in its availability for Canada and the latter are contenting themselves with taking a loss wherever such independent operators ply in order that the latter cannot make money out of the situation.

The big line companies take the ground that such prices cannot be quoted profitably by anyone if they are "playing the game," paying full duty and full road taxes and paying the regular market prices for crude. A week ago they were more anxious about the situation than at present, because it appeared for a time as though all the efforts at control in the United States were going by the board. Since then, however, the major companies are making a dicker with East Texas refiners to take excess gasoline in return for a guarantee that these refiners will in the future use nothing but locally produced crude and will abide by proration orders. Purchases will be made on a basis of four cents a gallon f.o.b. refinery East Texas but the latter must agree not to run "hot oil" to various markets.

Chances to control the "hot oil" situation are believed to be better also because state authorities are showing more disposition to co-operate with the Federal Petroleum Administration.

Evading Duties "Legally"

So far as Canada is concerned, it is suspected that the customs duties are being evaded legally in great part. The duty on ordinary gasoline is 2½ cents a gallon, but importers are able to bring in at 1½ cents a gallon a crude petroleum which is mainly gasoline. Casinghead gasoline is allowed in free to refiners who blend it with other gasolines distilled in Canada to produce desirable results. By mixing this casinghead gasoline which is free with a crude containing natural gasoline at 1½c. a gallon, some small refiners produce a product on which the duty is only about one-half cent a gallon. When the price charged by the original "hot oil" source is included these people get a considerable price advantage. It is sometimes suspected that a further advantage of three, four or even five cents a gallon is obtained over the legitimate dealer by paying only part of road taxes due. In a number of cases the word of the seller is taken and it is likely that inspection may be asked for, to see that the provincial government is getting all the revenue it should.

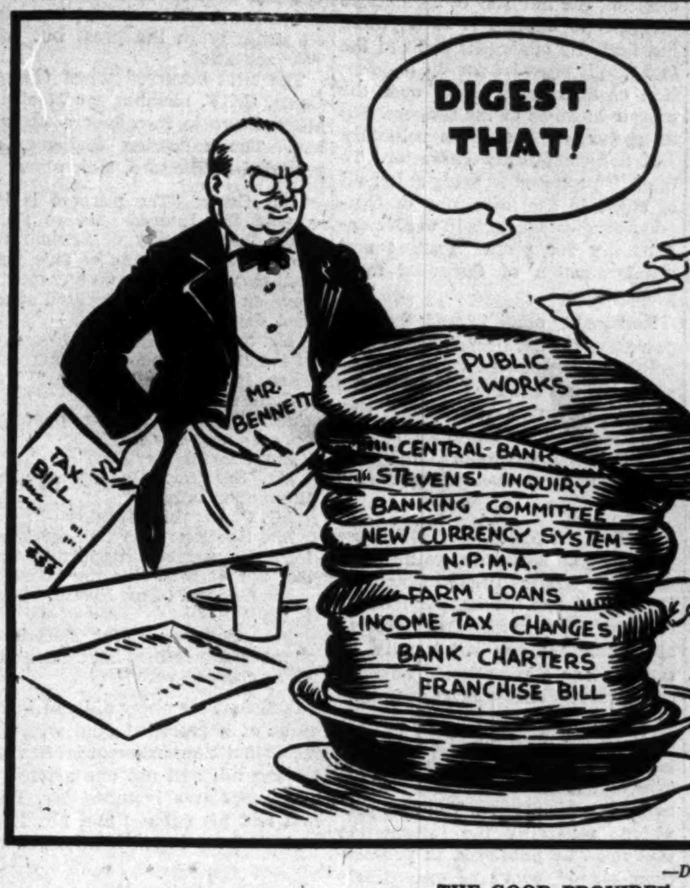
Somebody Beating Game

"Somebody is beating the game," said one refiner to a representative of The Financial Post. "They cannot do it for long because neither the Dominion government nor the provincial government will want to lose the revenue. But in the meantime, it penalizes those who pay all their taxes."

The arrangement made by the Ontario Motor League whereby certain service stations sell for two cents a gallon under the regular rate is also still going on. The recent increase in gasoline, even though prices are still lower than they were last February, has enabled some sellers to resume their old operations under this plan. They hope to make a profit on a two-cent spread by coaxing enough customers away from other stations to cut the overhead.

Much interest is being taken to discover the United States source for much of the cheap gasoline now being retailed. A great deal of the "crude" used by small refiners comes, it is understood, from United States sources, which are paying special attention to the foreign market in order to avoid United States prorating and other restrictions. The gasoline is not as good as that ordinarily retailed in Canada but it will "get by" for a time, The Financial Post is informed.

For the third consecutive week the Dominion Bureau of Statistics' weekly commodity price index remained at 71.9, the highest point reached in the incline of the past year.



—Drawn for The Financial Post by R. Kaell.

THE GOOD PROVIDER

Opening Wedge Into U. S. May Be $60,000,000 Loan

Short-term Dominion Loan Easily Financed if Federal Trade Commission Agrees—New York Optimistic That Financing Relations With Canada Will be Renewed

In all probability Canada within the next two months will refund in the United States the $60,000,000 issue of 4 per cent Dominion notes, dated July 1, 1933, and due October 1, 1934. The obligations are callable at par value after a year and so action can be taken at any time. This loan was originally contracted in 1932 when one-year notes were bought by the Chase Harris Forbes Corp., and they were re-financed for 15 months on July 1, 1933, by the Chase National Bank and Associates.

Canada will be the first foreign country to finance in the United States since the Securities Act of 1933 was passed, if present expectations are realized. The whole $60,000,000 may not be asked for, but part will be refunded, it is expected, and the balance paid for from proceeds of a recent 3¼ per cent loan in Great Britain. It is altogether unlikely that under present conditions the Dominion Government will consider raising this money in Canada and sending it to the United States.

Canada is fortunate in that she does not come under the embargo against foreign loans to countries which have deflated in any way on obligations to the United States. Even Great Britain is shut out under this law, but the extent of information required to secure registration is also a barrier to many. The attitude taken by the Federal Trade Commission will be the determining point, and every reasonable interpretation of the information clauses can be met.

Canada's record in the United States has been excellent, and she is a welcome borrower to those who lend. The re-financing would probably be for a short term up to three years, and a low rate should be available under 4 per cent.

The matter is of great importance because refunding eventually may be required for one billion dollars of guaranteed and direct bonds of the Dominion Government and the Government-owned railways. Provinces have more than $800,000,000 in bonds outstanding for payment sooner or later in the United States, and Canadian municipalities have $300,000,000. Corporations owe a further billion dollars in the United States. There is, therefore, in the decades ahead a tremendous amount of financing to do in the United States, and this short-term loan is of great importance as opening the way and indicating the conditions under which much of it has to be done.

Honey Dew May Appeal Case to Higher Courts

A further appeal is expected in the Honey Dew-Fred J. Ryan, Don E. Ryan and Jerry McCarthy action and counter-action for damages, The Financial Post understands. The company may appeal either to the Supreme Court or the Privy Council, and it is believed that such a course will be decided on when the directors get together in the near future.

On June 30 the appeal of the company was dismissed against a judgment of Mr. Justice Rose on Feb. 9, requiring it to pay to Messrs. Ryan, Ryan and McCarthy a total of $82,257 with costs. Its counter claim for $600,000 on account of alleged misrepresentation and breach of warranty was also dismissed. In addition to the amount specified in the award, it is understood that further payments, due to the plaintiffs under the original agreement since the action started, would also have to be paid bringing the total amount up to approximately $185,000 and costs.

Expect Early Completion Of Ontario Tobacco Pact

The tobacco agreement which will assure growers an average of 27 cents a pound for their 1934 crop lacks only the signatures of a few leading growers, the W. C. Macdonald, Inc., and one or two smaller manufacturers, and growers' representatives are at present in the Ontario tobacco area attending to this detail, The Financial Post learns. Professor Archibald Leitch, of Guelph, and E. C. Scythes, of Simcoe, have been conducting negotiations for the growers.

Although the W. C. Macdonald Company has not yet signed the agreement, it has shown a favorable attitude toward it, Mr. Scythes told The Financial Post. He further stated that as soon as the company's signature was obtained, the agreement could be considered completed. Imperial Tobacco Co., the largest single buyer, has already signed, along with many growers and smaller buyers.

Under the agreement, as it now stands, growers will receive an average of 27 cents a pound for their crop, based on the average of the crops of the past three years. They may therefore receive slightly more if the 1934 crop is above average or slightly less if below. This payment will mean an increase of about 10 cents a pound to growers over last year.

In addition to the guaranteed minimum price, the agreement will set up an arbitrary appraisal board. Prices set on kilns of different quality tobacco by growers and manufacturers will be examined by this board in case of dispute. Individual bidding by the manufacturer will, of course, continue, the powers of the board being only utilized if the grower is not satisfied with the offer.

Help Maintain Average

In other words, it is explained, if one crop of a grower was appraised at $5,000 and another at $4,000, and the manufacturer, taking the first crop at $5,000, put in a bid of $3,000 for the second, he would have to make up to the grower the difference of $1,000 between the price paid and the average appraised value.

Under such a plan, the prices paid by the manufacturers for purchased crops would never be below the average appraised values, and a definite average price level would be maintained.

Gordon & Belyea To Pay Dividends 7 Per Cent Basis

Gordon & Belyea, Ltd., is resuming the full 7 per cent dividend rate on preferred shares in July, it is announced, with the regular quarterly rate of 1¾ per cent. It is understood that the hardware and chandlery business of the company has been showing consistent improvement since April, 1933.

Only partial payments have been made on the preferred shares since July 1, 1932, and last April the arrears were reported to amount to $10 per preferred share. While the regular quarterly payments are now anticipated, it is understood that payment on arrears will depend upon continued improvement.

Highlights of the week

Big Stores Dominate

Led by The T. Eaton Co., Canada's department stores handle about 12 per cent of the total retail trade. Exclusive survey analyses facts bared at Ottawa. Comparison with U. S. A. leaders. Page 8

"Suckers Beware"

In back rooms of certain notorious Toronto brokerage houses, high pressure telephone selling is carried out under conditions which have earned for these rooms the name of "boilerhouses." The Financial Post sees one of these rooms from the inside. Page 16

Builds Dairy Chain

Though practically unknown outside of the London District before 1922, A. E. Silverwood had been preparing for years a foundation for his province-wide system of dairy companies. The man behind the organization. Page 9

May Emigrate

As a result of the new restriction on stock exchanges in United States many professionals are said to be considering moving to Canada and even Europe from which points operations will be carried on. Page 3

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SEE CANADIAN IN LINE TO HEAD CENTRAL BANK

With Bank of England Man in Second Place

KERSHAW CITED

New Zealander, Now in London, May be Deputy—Professor for Board

From Our Own Correspondent

OTTAWA.—With parliament ended, the Bennett Government will begin, immediately, the task of putting into operation two important statutes, recently enacted. They are the Bank of Canada Act and the Marketing Act.

The former is regarded as of vital importance and while the cabinet has not as yet had time to consider seriously the problems of personnel which are involved, it is understood that general decisions have been reached.

The Bank of Canada will be under the direct control of a governor and a deputy governor. The statute says that the Government may appoint, in addition, an assistant deputy and it is learned that the permissive feature of the law in this regard will be availed of. The immediate problem, therefore, is to find three men to run the new institution.

Mr. Bennett, speaking in the Commons, declined to throw any light upon the cabinet's predilections in the matter of personnel except to say that there was no one now in Canada with sufficient knowledge of the working of such an institution to take over the post.

Choosing The Men

It is believed that the Government will approach the task of selecting these three men in the following way: One must be a man with wide experience in the operation of a central bank and will, therefore, be drawn from outside Canada—almost certainly from London. Another must be an experienced Canadian banker. The third man, it is held, ought to be one with a broad academic background in economic matters.

The governorship will fall to one of the first two. The one with qualifications along theoretical rather than practical lines will be the assistant to the deputy.

It is conceded that the Government will have little or no chance of attracting for the governorship a really big British banker. It is much more likely that efforts will be made to bring to Canada a banker like R. N. C. Kershaw, a New Zealander, who is rapidly making a name for himself with the Bank of England at London. Mr. Kershaw, if he could be persuaded to come to Canada would be considered an ideal deputy governor. He is thought too young for the governorship. He spent some time with Lord Macmillan in Canada.

Appeal to Service

This would indicate that a Canadian of wide banking experience will probably be favored for the post of governor and in making this selection the Government realizes that great difficulties will have to be surmounted. It is obvious that a banker fit for the post will be either a general manager of one of the chartered banks or one who is certain of becoming a general manager in the future. It is felt that the Government will not be able to pay well enough to attract such a man. The appeal will have to be on grounds of public service.

The assistant deputy almost certainly will be selected from the front rank of the professors in the larger Canadian universities. Several names are mentioned but as this selection is not considered to be as difficult as the other two, it is thought that the Government has not yet bothered to narrow the field.

At the moment, therefore, it appears as if the governor of the new bank will be a Canadian banker; his deputy a Bank of England man, and the assistant a professor.

Going to England?

Rumors, not as yet confirmed, are to the effect that Mr. Bennett hopes to leave for England in the near future on holiday. If so, the selection of a sound central bank man will be one of the primary purposes in view.

As for the marketing legislation, the understanding is that the government does not intend to create any cumbersome machinery to handle the distribution and sale of natural products. The central marketing board almost certainly will be composed of officials of the Department of Agriculture who will serve, for the most part, without extra pay. The board, in fact, will function more as a new branch of the department than as a separate entity.

Premier Pulp and Paper To Acquire Chandler Mill

From Our Own Correspondent

MONTREAL.—Quebec incorporation papers have been taken out by the Premier Pulp and Paper Corp., which will take over the pulp mill and other properties at Chandler, P.Q., recently sold at auction. The company has a capitalization of $100,000, divided into 1,000 shares of the par value of $100 each.

Let our Sporting Goods Department outfit you for your fishing holiday. We carry a big assortment of fishing needs from bait to some of the finest rods and tackle made. To mention a few:—

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True Temperfishing Rods. Professional grade seamless tubular tip section. Offset aluminum handle. This new rod has practically bamboo lightness. Price $8.00.

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THE ROYAL BANK OF CANADA

SMALL NET LOSS FOR COLLINGWOOD TERMINALS LTD.

Operating Revenue Down But Current Assets Improved

Collingwood Terminals Ltd. showed a net operating loss of $3,743 for the year ended Dec. 31, 1933, as compared with a profit of $11,994 in 1932. Operating revenue was down from $11,195 in the previous year to $97,500 and while expenses were reduced slightly from $37,775 to $36,730, net operating profit was down from $77,899 in 1932 to $60,770. After interest of $35,871, which was slightly lower than a year ago, and $27,000 for depreciation, which was the same as in the previous year, and $1,642 for amortization debenture discount, the small loss mentioned above was reported.

The balance brought forward was reduced from $11,534 a year ago to $7,694.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1933	1932
	$	$
Oper. revenue	97,500	111,195
Less: Oper. exp.	36,730	37,775
Add: Misc. rev.	......	4,479
Net oper. profit	60,770	77,899
Less: Int., etc.	†35,871	36,956
Depreciation	27,000	27,000
Taxes	......	307
Amort. deb. disc.	1,642	1,642
Net profit	*3,743	11,994
Less: Pref. divs.	......	9,341
Surplus for year	*3,743	2,653
Add: Prev. surplus	11,534	8,881
Less tax adj.	96	......
Balance forward	7,694	11,534

* Deficit.
† Less interest earned and premium on American funds, $2,498.

Working capital was reduced slightly from $73,888 in 1932 to $72,447 due to a rise in current liabilities of from $2,996 in the previous year to $5,939. Current assets were up largely because of an increase in accounts receivable from $8,862 to $15,059. Cash was down sharply from $18,294 to $4,120, accrued storage and elevator charges of approximately $35,000 were up sharply from the previous figure of $23,164.

Working Capital

	1933	1932
Current assets	78,386	76,884
Current liabilities	5,939	2,996
Working capital	72,447	73,888
Ratio	13.27—1	25.66—1

The increase in the current liabilities was due to a rise in accounts payable of from $2,618 a year ago to $5,918.

Shipping Busy

Exports and imports through the Port of Saint John in May were heavier than those of the same month last year. Imports amounted to 43,878 tons, compared with 42,896 tons in May 1933 and exports 17,597 tons, compared with 16,213 tons.

Fishing Important

To 15,000 persons in Quebec Province fishing provides a means of livelihood. According to an advance report the amount of capital invested in that industry during 1933 was $2,839,351, a gain of $14,351 over 1932.

FEATURES
in the July issue
THE CANADIAN CHARTERED ACCOUNTANT

The Dominion Companies Act, 1934
Accounts of a Confectionery Manufacturer
A Canadian "Institute of Taxation"?
Covenants to Pay Gold
Dairy Corporation Case
Amendments to Provincial Taxation Acts

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The Nation's Business

(Continued from page 1)

tered banks were sent on their way for another ten years of useful service to Canadian citizens.

WHETHER or not Canada has taken a bold jump into the mysterious pool of planned economy, by passage of the Natural Products Marketing Act, is still to be answered. The bill reads like economic Fascism; the minister of agriculture attempts to explain it as anything but that. Its opponents disliked the fact that it provided for the assumption of dictatorial power over the private business of the farmers. But its sponsors spoke of its voluntary and non-compulsory character. To them, it promised to bring order out of chaos in the marketing of Canadian farm products; and to give opportunity for proper grading and standardization of Canadian farm products.

Reasonably administered, the new powers of the government may be of great and permanent value to Canadian farmers and the Canadian consumer. Unwisely used, they will merely add new rigidities to our economic superstructure and embroil us in inept economic planning.

* * *

ONE of the most important pieces of legislation added to the statute books was the revised Dominion Companies Act. It has been criticized in The Financial Post for some of its shortcomings but it must be regarded as a remarkable advance on previously existing company laws in Canada. More than ever before, the investor is promised a fair deal, both from those who sell him securities and from companies in which he invests his money. The new provisions regarding the information that must be published in prospectuses should prove of exceedingly great value in wiping out security fraud, both of the fly-by-night and of the high finance types.

The Dominion Act can go much farther and still leave company finance all the freedom it requires. And it will never be fully effective until it has been supplemented by nine provincial companies acts similar in scope. So long as the Dominion Act is rigorous in its provisions and the provincial acts are loosely drawn, promoters and companies desiring to conceal facts from the public can do business under provincial incorporations and leave the public less fully protected. It is important for investors to realize that new companies incorporated under Dominion legislation are now less likely to be fraudulent than if incorporated under provincial laws. The new act has made the provincial acts distinctly less attractive for the company seeking to win the confidence of the public.

* * *

THE new Companies Act was piloted through the house by Hon. C. H. Cahan, Secretary of State, but there is reason to believe that Prime Minister Bennett is largely responsible for it. There is a story around, which may be utterly untrue of course, that Mr. Bennett commissioned a well known company lawyer in Toronto to draft a revised Companies Act and that, several weeks later, when he had the draft, he presented it complete to Mr. Cahan, who up to that time was unaware that it was in process.

The story is good enough to be true; it reveals Mr. Bennett in both his strength and his weakness; his strength in recognizing a vital public need and his weakness in co-operating with his associates.

* * *

IN ITS previous session, Parliament had taken some steps to permit a reasonable trial of economy in the operation of Canadian railroads. It had, with large flourishes, declared that politics was no longer to rule in the Canadian National Railways. But when the first major achievement or promise of achievement under the "compulsory co-operation" plan was placed before Parliament for consideration this year it became apparent that politics was still going to rule. The bill that would have given the trustees of the government line authority to merge competing telegraph and express systems was summarily withdrawn by the government, which refused to stand behind the board it had created to the extent of permitting them to effect this great economy if they wished.

* * *

THE Stevens Committee, enquiring into price spreads, wages, department stores, chain stores, and a basketful of other subjects, more or less related, is to carry on as a Royal Commission. That the enquiry has to go on is obvious, but that the same committee, when its members are vested with Royal Commissionerships, will undertake to do their job with greater efficiency and justice than they have displayed during the past three months is open to question.

* * *

PARLIAMENT looked into the question of radio broadcasting to just a sufficient degree to learn that nationalized radio has satisfied few people in Canada, chiefly because the radio commission has meddled in politics behind the scenes and played at dictators. Somewhat chastened by criticism, the commission may knuckle down to its job in a more contrite spirit. But Parliament made no attempts to curb its spending habits.

* * *

PARLIAMENT closed its session with practically no progress in the direction of curtailing governmental expenditures. In fact, the tendency was practically all in the other direction, starting with a $40,000,000 public works programme to be paid for out of the fictitious wealth that comes from leaning on the future.

It may not have been a pre-election session but representatives of all parties pitched their tones to the vibrations of the electioneering tuning fork.

Playing Politics to Bitter Finish

TWO events in the closing days of the session at Ottawa reveal the extent to which "politics" interferes with the application of ordinary business common sense to affairs of government. Both incidents received publicity in the press but will bear repeating.

The first occurred when George Coote, C.C.F. member for Macleod, asked leave to introduce a private bill. The following dialogue, as recorded in Hansard, took place.

Mr. Coote: "The purpose is to amend the Interest Act so that after the first day of September no interest in excess of five per cent may be charged on any mortgage on real estate executed after that date."

Mr. Speaker: "Is it the pleasure of the House to adopt the motion? Those in favor will say aye."

Some members: "Aye."

Mr. Speaker: "Those opposed opposed will say nay."

Some members: "Nay."

Mr. Speaker: "In my opinion the motion is lost."

Mr. Coote: "Mr. Speaker—"

Mr. Speaker: "Do I understand that the member supporting the bill desires to divide the house?"

Mr. Garland (Bow River): "Certainly."

Mr. Speaker: "Not sufficient number of members have demanded a recorded vote."

Sufficient members did rise in request of a recorded vote with the result that Hansard records 180 votes for the bill and not one against it. The supporters included Mr. Bennett and his cabinet and Mr. King and his front bench lieutenants.

* * *

WHEN the bill was first called only a few answered the Speaker's call for "Ayes," but the "Nays" were thunderous and clearly indicated a vast majority against the bill. Yet when the test of a recorded division came, not one was prepared to register himself as opposed. This, despite the fact that everyone realized, including, doubtless, the C.C.F. sponsors, that guillotine action of this sort on interest rates must throw the financial machinery of the country into chaos. The government, in fact, had been explaining on previous bills just why the Federal Farm Loan Board could not be used to break rates below six per cent. Of course the bill was doomed to failure in any event as it passed automatically into the "private members" division of the order paper and was not reached again.

* * *

THE second event was the announcement by Hon. R. J. Manion, Minister of Railways, last week, that he intended to introduce two charter bills to meet the requirements of the railway managements in case they agreed this year upon bases for the amalgamation of the express and telegraph services. If they agreed, these services, naturally, would be turned over to two new companies which would require corporate existence.

Mr. Manion announced these bills in a perfunctory way and unquestionably was astounded and angered at the reception he received. He was asked promptly if the bills foreshadowed the amalgamation of the two railways. Telegrams from express and telegraph employees, unions, etc., began to descend upon Parliament Hill in floods. Within 12 hours it became apparent that no government would risk the political consequences of supporting such legislation. The bills were dropped like the proverbial "hot cake" and the managements of the two railways, which had requested the legislation, are now left high and dry, without any statutory support for all the time and thought they have put in seeking to fuse ancillary railway services and thus reduce the d[illegible] deficits on [illegible]ublic treasury.

* * *

ONE year ago, under the inspiration of a staggering Federal deficit and the specific recommendations of the Duff Transportation Commission, the House of Commons enacted legislation urging the managements of both railways to co-operate to the fullest possible extent short of the amalgamation of the two major transportation systems. The Duff Commission, while it found against rail fusion, found specifically in favor of the amalgamation of ancillary services.

The new National Trustee Board and the management of the Canadian Pacific undoubtedly took Parliament's instructions seriously. Hard work has been put in on the difficult problems which bar the way to the merging of telegraph and express services. And now when the goal is in sight, the House of Commons, without rhyme or reason, repudiates its instructions of 1933 and refuses legislation to complete the very task which it urged the railway heads to get on with last year.

* * *

THE effect of these proceedings cannot be otherwise than grave. The whole plan of the Duff Commission is now placed in jeopardy. It may be accepted as a fact that the government, if in office, will not accept the responsibility of moving legislation of this kind in Parliament in 1935. Such bills will have to be sponsored by private members and they will have, in consequence, scarcely a dog's chance of being approved.

These two events indicate, rather forcibly, what happens when political and business interests collide.

Hiring and Firing in Public Service

WHEN Mitchell Hepburn gets on the job next week as premier of Ontario he may find it more difficult to size up the merit of some office holders than he found it when snap judgments for pert political speeches were in order. If he is wise, he will be as slow to fire as he should be to hire. Neither to serve partisan ends nor for reasons of sheer personal pique, should he dispense with faithful and efficient civil servants, unless the departments they work in or the functions they perform are being eliminated.

Government leaders should try to get good men for civil service and technical positions. The salary should be what the job is worth, neither more nor less than would be paid by a well run private corporation. The average private corporation does not pay extravagant salaries but it does endeavor to pay enough to attract men of talent and experience. Such men are able to get the job done efficiently and at as low cost as possible.

* * *

MR. HEPBURN has stated publicly that he intends to dismiss F. A. Gaby, chief engineer—virtually general manager—of the province's $400,000,000 power enterprise and Victor A. Sinclair, chairman of the Workmen's Compensation Board. Others have been mentioned for dismissal. But these two cases are typical.

Mr. Gaby is everywhere admitted to be a good engineer and administrator. The evidence of his inefficiency or partisanship will have to be stronger than it yet is before the public will approve his summary dismissal.

Mr. Sinclair is a successful lawyer specializing in company law. He is a man of integrity and judicial temperament. There have been no public complaints as to either his ability or his administration. His salary is paid by the industrial companies, not directly by the province.

Mr. Hepburn's cabinet will have to decide what is adequate compensation for these or other governmental employees. He may decide to reduce some salaries, possibly to increase others. But he should not, in his own interests or the province's interest, do anything to encourage people in the belief that he is discharging civil servants for party reasons.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

Cut Railroad Costs

WHAT business management can do in the cutting of operating expenses is revealed in evidence given to the Commons railway committee by members of the new Board of Trustees. In 1931, 36 officers of the National railways were paid $15,000 per year, or more. This did not include the president who was also chairman of the board of directors. The total payments to these officers was $677,500 and their personal expenses, charged to the company, were $51,461.78. In 1933, only six officers received more than $15,000 per year and their total salaries were $117,800, with expenses at $5,852.24.

* * *

Pension Costs Mount

THE bill for pensions, due to the world war, will be $45,000,000 in the current fiscal year, an increase of $3,000,000 over last year. The pensions act has been revised at least a half a dozen times since originally enacted and another revision seems inevitable at the 1935 session. The matter is of interest because revisions invariably increase the cost of pensions to the state.

In the closing days of the last session, Col. J. T. C. Thompson, who has been chairman of the Board of Pensions Commissioners since its inception, was removed from that position and made Franchise Commissioner under the new Franchise Act. This opens the way for important changes in the administration of pensions. His place will be taken for one year by Mr. Justice F. G. Taylor, of Winnipeg, who in addition to presiding over the board will make a report to the government upon changes which he believes to be necessary in the administrative sections of the statute.

It is hoped to deal with the difficulties which have arisen out of "marriage" claims. The board has been demanding proof of marriage and considerable ill-feeling among veterans has resulted. In 1930, Parliament set up intricate machinery for expediting the disposition of pension applications—including travelling tribunals, an appeal court, etc. The tribunals are now being scrapped, at a cost of $100,000 in retirement allowances. Another attempt to impose satisfactory administrative machinery will be made next year.

Explore Far North

BEGINNING this summer a small party of scientists under the leadership of Edward Shackelton, son of the famous explorer, will undertake a detailed survey of the natural resources of the northern half of Ellesmere Island, Canada's most northerly possession. The expedition proceeds to the Canadian arctic under the auspices of the Canadian government, Oxford University and the Royal Geographical Society of England. Canada's contribution is $1,000 and in return the Ottawa archives will get all the data collected by the party. It will probably be published later on in book form.

In addition to Mr. Shackelton, the party will include two surveyors, one of whom is to be a doctor and the other a botanist, and a geologist and a photographer. The geologist will also be a biologist. The intention is to appraise the resources of Ellesmere Island not only in animal life but in minerals. The expedition is expected to return to England late in 1935.

Shipping Act This Session

THE revised Shipping Act introduced in Parliament in 1933 but not proceeded with has been enacted this session.

The coastal law part of the revised Canada Shipping Act is word for word the same as the special bill enacted in 1933 but not put into force by the Cabinet.

It prohibited transshipment of wheat at Buffalo. By so doing it was hoped that a larger share of western wheat, seeking outlet on the Atlantic seaboard, would be carried across the lakes in Canadian instead of American bottoms. While the government declined to modify these clauses when the revised legislation was before the Commons, it is well understood on Parliament Hill that they will not be proclaimed until after a general election has been held.

The new statute is so framed that its various parts can only be made effective by proclamation. At a government caucus prior to prorogation, western Conservatives took strong exception to the new coastal laws and succeeded in convincing the Government and most western Conservatives of the unwisdom of interfering with the Great Lakes situation, with respect to wheat, at the present time. The political reactions in Manitoba and Saskatchewan, they pointed out, would be unfortunate. Various members of the government spoke in support of the new laws and argued that everything possible should be done to assist Canadian lake carriers. Otherwise it was feared they might not survive the depression and western farmers would find themselves in the power of a monopoly not amenable to Canadian law.

Relief Brake Released

EFFORTS of the Dominion government to cut down on unemployment relief costs as at June 15 have been abandoned. Ottawa now proposes to apply the brakes on July 15, although it is recognized that Federal assistance to the provinces for direct relief will have to continue after that date. The new policy calls for a detailed examination of the requirements of each province. It is believed that assistance will have to be continued in the case of the large cities, but that many of the smaller municipalities, now in receipt of Federal aid, will be able to close their relief books at least for the summer months. The Federal public works programme, it is hoped, will aid considerably in lifting the relief burden off all cities in the coming winter.

U. S. BROKERS DEFER SHIFT TO CANADA

(Continued from page 1)

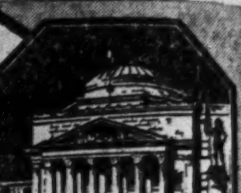
new measure and some old brokers believe that the reality will be so much less terrible than the fears that the result may even be an improvement in conditions.

Many United States members of the New York Stock Exchange have been canvassing the Canadian situation and also making surveys of the possibilities of trading on the London Stock Exchange for prohibited business. There have been two difficulties preventing them making a decision: first, that they themselves are uncertain as to the full effect of the new Act on trading in the United States; and second, both in England and Canada, exchanges have been very cautious as to the type of facilities which they are ready to provide. They do not want "shady" business because that would soon lower tone and therefore reputation of the Toronto Stock Exchange, Montreal Stock Exchange or any other exchange permitting it.

There are, however, practices which have been regarded as legitimate on the main exchanges of the world and even of benefit, and which will still continue in Canada and England. Just how far they will continue under the new law in the United States is problematical. It is the first time an outside authority has been imposed on the New York Stock Exchange and it is lack of experience that brokers fear rather than punitive action for misdeeds. The new commissioner will, however, be given wide discretion and there is no reason to suppose that he will not be fair. The United States Congress eliminated many clauses which were obnoxious to members of the exchange and to many institutions which traded there. If in actual operation margin limitations and present limitations on short trading, on pools and other features do not prove in the general interests, it is felt that amendment may be obtained later.

Therefore it is actual experience under the new law which will determine whether or not there will be a trek to Canadian and British exchanges. Speculators in the United States, if too much hampered, will certainly seek new avenues, but just as certainly Canadian exchanges will not want to afford facilities for practices which they do not regard as good. But they are willing to go farther than the present law in the United States. And so is the London Stock Exchange, but its methods of operation are not so easily understandable by Americans.

Facilitating Canadian Trade and Commerce the World Over.



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Established 1817
MODERN, EFFICIENT BANKING SERVICE
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T. E. BISSELL CO. LOWERS NET LOSS INVENTORY LESS

Accounts Receivable Up—Poor Sales in Western Canada

A much smaller net loss was shown by T. E. Bissell Co. for the year ended May 31, 1934, and though there was a rise in accounts receivable, inventory was down and there was a slight reduction in current liabilities. Net loss was $6,745 as compared with $20,369 a year ago and the deficit carried forward was $27,104 as compared with $20,369. The company manufactures farm implements and markets largely in Western Canada, where little improvement in sales was reported.

Income and Surplus Account
Years Ended May 31

	1934	1933
	$	$
Net loss	6,745	20,913
Add: Prev. surplus	*20,359	1,738
Less: Addit. inc. tax, 1930	......	9
Loss on sale of bonds	......	1,175
Deficit carried forward	27,104	20,369

*Loss or deficit.

Working capital was down from $116,733 a year ago to $109,716. Accounts receivable were $45,881 as against $36,812 and inventories $86,793 as compared with $104,058. Liabilities amounted to $23,448, consisting of bank and accounts payable as compared with $24,416 for the previous year.

Working Capital

	1934	1933
	$	$
Current assets	133,164	141,149
Current liabilities	23,448	24,416
Working capital	109,716	116,733
Ratio	5.68—1	5.78—1

PRICE PROBE RANKS SPLIT OVER POLICY

(Continued from page 1)

no bargains, and have no costs of operation to meet.

Value Impaired

This is but one sample of scores which could be cited. In the view of some of the minority members of the committee the unfairness with which Mr. Stevens has endeavored to make out a case against certain branches of the retail trade has seriously impaired the value of the entire investigation.

The reports in the daily press regarding low wages paid in the garment-making industry of Quebec failed to bring out a point which has deeply impressed committee members, regardless of party, and which uncovers a new and unsuspected facet to the wage problem. The reports recorded that exceedingly low wages are being paid in Quebec for the stitching of overalls and other rough garments but did not add that the work is done largely by farmers, their wives and children. The evidence disclosed that it is a well established custom in Quebec to cut these garments at factories and have the stitching done under contract. The contractor loads the cut goods into lorries and drives into the country where farm women undertake the sewing at very low rates of pay. Their children help them as do their husbands on rainy days.

This, of course, is not factory labor at all. It is a sideline and the workers are not dependent upon it as their main source of livelihood. The difficulty of suppressing or modifying such a custom is obvious.

STANDARD FUEL NET MUCH HIGHER HAS BIG SURPLUS

Pay 50 Cents on Common — Working Capital Improved

Standard Fuel Co. showed a very substantial gain in net profits for the year ended April 30, 1934, the figures being $189,431 as compared to $107,797 for the same period in 1933. After approximately $90,000 had been set aside for the regular preferred dividends a surplus of practically $100,000 was carried forward as compared with $17,894 for 1933.

Since compiling the annual report, a further disbursement of 50 cents per share on the common stock was made, this being the first dividend on such stock of which 50,000 shares have been issued. The total balance carried forward stood at $333,355 at the end of the fiscal year as compared with $233,616.

Cons. Income and Surplus Account
Years Ended

	Apr. 30, 1934	Mar. 31, 1933
	$	$
Net earnings*	†228,744	138,572
Less tax res.	39,313	30,775
Net profit	189,431	107,797
Less appropriations:		
Pref. div.	89,692	89,903
Surp. for year	99,739	17,894
Add: Prev. surp.	233,616	215,722
Balance forward	333,355	233,616

*After depreciation. †For 13 months.

More Working Capital

Current assets were up and current liabilities down, thus leaving the working capital higher than a year ago. The principal assets were inventories, $85,901, as against $256,357 for the preceding year; accounts receivable $345,783 against $392,678, and cash $651,637 which was very much higher than the same item a year ago when $392,976 was reported. Investments also were considerably higher, being $216,616 as compared with $178,986 in 1933.

Working Capital

	1934	1933
	$	$
Current assets	1,299,936	1,220,997
Current liabilities	214,670	253,540
Working capital	1,085,266	967,457
Ratio	6.05—1	4.81—1

Under current liabilities accounts payable were reduced from $192,755 a year ago to $170,964, while the reserve for income and other taxes was increased from $38,319 to $43,706.

Million Dollar Output

Output of manufactured products of the Maritime Provinces in 1932 had a gross value of just over a hundred million dollars—$101,390,415—according to a report of the Dominion Bureau of Statistics.

NOTICE of DIVIDEND and BONUS

BONDED TRUST CERTIFICATES
Issued 1934

The regular
MONTHLY DIVIDEND
of 1% was paid on July 3rd, 1934, through the Imperial Trusts Company of Canada. Balance of earnings for the month was transferred to the Reserve Fund.

1% BONUS
An extra cash dividend of 1% has been declared, payable September 1, 1934, to Certificate holders of record on August 28th, 1934.

Dividend cheques are mailed to Certificate holders direct by the Trustee. All revenues and disbursements are under the administration of the Trustee.

Bonded Trust Certificates should be included in the portfolio of every investor who is desirous of obtaining a better-than-average return on his investments. The higher income from the Certificates will enable you to increase the average return on your combined holdings.

Inquiries are invited for complete information. Use the coupon, if convenient, or telephone for circular.

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Without obligation, send me descriptive circular on Bonded Trust Certificates.
Name..
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LOBLAW GROC. SALES ARE HIGHER, BUT PROFITS DOWN

Trend Once More Upward —Higher Dividend More Than Earned

LIQUIDS LOWER

Occasioned by Redeeming 7,395 Class "A" Shares—Position is Very Strong for 111 Stores

Though total sales of Loblaw Groceterias Co. for the year ended May 31, 1934, amounted to $14,780,558 as against $14,219,053 in the preceding year, net profits dropped to $1,061,299, before income tax, as compared with $1,131,852 in the year ended May 31, 1933. Dividends were put on the basis of $1 a share during the year and earnings were $94,895 more than needed for the higher dividend on 447,331 class A no par shares and 383,300 no par value class B shares.

The dividend of $1 assumes an even more cheerful aspect to shareholders in view of the statement by the president, J. Milton Cork, that in the latter part of the fiscal year sales and profits showed increases over the corresponding periods in the preceding year. In the early part of the fiscal year sales and profits had been lower than in the preceding year for the same periods.

Income and Surplus Account
Years Ended May 31

	1934 $	1933 $
Gross sales	14,780,558	14,219,053
Net earnings	1,061,299	1,131,852
Less: Inc. tax res.	134,000	144,000
Net profit	927,299	987,852
Less appropriations: Dividends:		
Class "A"	449,104	455,077
Class "B"	383,300	383,300
Surplus for year	94,895	149,475
Add: Previous surplus	2,776,038	2,292,194
Proceeds of life insur. policies of life of late T. P. Loblaw	....	270,000
Reduc. of inv. res. to pres. require.	....	73,948
Profit on sale of bonds	3,464	....
Less: Inc. tax adj.	....	9,579
Bal. carried forward	2,874,392	2,776,038

Working capital was slightly lower, as shown by the following table:

Working Capital

	1934 $	1933 $
Current assets	3,891,227	3,840,171
Current liabilities	1,102,399	933,435
Working capital	2,788,828	2,906,736
Ratio	3.53—1	4.11—1

Strongly Liquid Position

Still very strong, the drop that occurred is accounted for nearly altogether by the fact that 7,395 class A shares were purchased on the market and cancelled. The company has no funded debt and no banking loans. The strength of its position can be seen by the following items making up its current assets in great part: cash, $818,495; Ontario bonds, $440,517; guaranteed investment certificates, $700,000; inventory $1,837,880. Its investment in 2,841 preferred shares of Loblaw Groceterias, Inc., is shown at $260,000 outside current assets.

Its chief current liabilities on May 31 last were: accounts payable, $598,654; income tax provision, $134,000, and dividend payable June 1, $332,252.

Capital assets, originally shown at $4,100,000, are now depreciated to $2,599,567, or nearly 37 per cent. The company now has 111 stores in operation. Meat, fruit and vegetable markets have been established in 22 stores. Mr. Cork says that the company has not found it necessary to reduce salaries or wages of employees during the depression.

PATON MFG. SALES SHOW GAIN IN YEAR

Surplus Reported After Payment of Dividends on Preferred

From Our Own Correspondent

MONTREAL.—Paton Mfg. Co., controlled by Dominion Textile Co., reports an increase of 27 per cent in net sales for the year ended April 30, 1934, compared with the preceding year.

The annual statement had the following to say on operations last year:

"At the beginning of the year bookings were satisfactory and the woollen mill is still quite busy, but the demand for worsteds has fallen off. This condition is the reverse of a few years ago.

"Some improvements have been effected in your plant equipment, a number of old boilers being replaced by water tube boilers, and a number of looms being replaced by up-todate equipment.

"Inventories have been taken at cost or current market prices, whichever is lower, and for the year under review, earnings were sufficient to meet all fixed charges and depreciation, also dividend on preferred stock, leaving a small balance to be carried to the credit of profit and loss."

U.S. Stock Control Bill Will Curb Bulls, Bears

See Exodus of Professionals, Perhaps To Canadian Markets

By DR. GAINES T. CARTINHOUR
School of Commerce, Accounts and Finance
New York University

NEW YORK.—The security market control law has been ground out of the legislative mill after months of debate and controversy, and most of its provisions went into effect on July 1. The enactment of this measure ended one of the hardest fought battles ever waged in Washington by Wall Street and will probably bring about a curtailment in speculative activity in the U. S. However, its main purpose is to prevent a repetition of the bull market culminating in 1929, when brokers' loans rose to over ten times what they are today.

Observers anticipate an exodus of professional speculators from regulated exchanges to unregulated exchanges or abroad. A group of Wall Street operators are reported to be looking over the ground as to ways and means of conducting pools and other manipulations on the American markets from the other side of the Atlantic. Orders would be transacted in the U. S. but would have their source in London, Paris, Rome, or wherever the big traders might choose.

Wall Street brokers get no satisfaction from observing the activity on some of the more prominent Canadian exchanges, particularly when the volume on the Toronto Stock Exchange alone exceeds the combined total of the N. Y. Stock Exchange and the N. Y. Curb Exchange. The volume on the Toronto Exchange has been much discussed during the dull days on the N. Y. S. E. The impression continues in New York that Canadian exchanges are very attractive. It is reported on good authority that some of the most important operators, who for years have confined their activity to New York, have recently shifted to Canada and the week-end commuting business between New York and Toronto is swelling the passenger revenue of the railroads and the air lines.

Regulation by Commission

In its final form, the new law provides for regulation of the security exchanges by a commission of five members—the Securities and Exchange Commission—to be appointed by President Roosevelt. It will also take over the Federal Trade Commission administration of the Securities Act. This body is empowered to prescribe rules and regulations to regulate or prevent trading on the floor of security exchanges by brokers for their own account; to establish rules for the regulation of the over-the-counter markets; to suspend trading on any exchange which violates the law, and many other discretionary powers.

The new Securities and Exchange Commission will supervise trading in billions of dollars of stocks and bonds and have great responsibility. On the N. Y. S. E. alone, for example, there is listed approximately $7,000,000,000 of securities at current market prices, of which about half consist of bonds. Wall Street is thankful that the new law will be administered by a separate commission instead of by the Federal Trade Commission because the latter has been a thorn in the side of financial leaders for years.

To Study Practices

Until the commission is working, its policies are impossible to forecast, but it is likely that one of the first undertakings will be a thorough study of securities market practices. In the application of the law the rules of this body can have a more profound effect on the market and corporate affairs than the statutory rules.

The Federal Reserve Board has been given complete jurisdiction over the extension of credit for marginal purposes by banks and brokers. The law sets a standard, which the board does not need to follow, limiting credit to 55 per cent of the current market price of a security, or 100 per cent of its lowest price for the preceding three years, provided it is not more than 75 per cent of the current market price. Regulations of the board may make appropriate provision with respect to the carrying of under-margin accounts for limited periods and under specified conditions, the withdrawal of funds or securities, the substitution or additional purchases of securities, the transfer of accounts from one lender to another, special or different margin requirements for delayed deliveries, short sales, and arbitrage transactions.

Existing margin accounts will not be disturbed until July 1, 1937, provided no substitutions are made in them. This is for the purpose of minimizing any deflationary effect of the new margin requirements. If new money is placed in an old account, or if there is a rearrangement of the stock, the law becomes applicable as of Oct. 1, 1934. Old accounts are subject to the discretion of the F. R. Board, however, even though it exempts them from the margin provisions, as the law gives the power to make rules to prevent them from being used to circumvent the purpose of the margin requirements.

The fact that N. Y. S. E. margin rules at the present time are in many cases higher than those provided for in the new law is somewhat ironical. Of course, a substantial improvement in stock prices between now and October 1 would reduce or wipe out this differential.

Company Requisites

Corporations, to register their stocks on the exchanges, must file with the exchanges and the commission complete data on their organization and financial structure. It is believed that registration will not be much of a burden for securities listed on the N. Y. Stock Exchange or the Curb Exchange. But in corporate circles there is much discussion of withdrawing stocks that are now listed rather than subject the corporations to an indirect Government control over managerial matters. Sections pertaining to the regulations of corporate affairs are hardly germane to a security exchange control act. The commission is also given authority to require annual audits and quarterly statements from the corporations. Penalties for violations run up to $10,000 fine or jail for two years for individuals, and $500,000 for exchanges.

Of the many provisions of the legislation, which were outlined in a recent article in The Financial Post, the most important from the standpoint of the average investor and speculator are those contained in Section 7, setting up new margin requirements, and Sections 9 and 10 which, respectively, prohibit manipulation of security prices, and provide for the regulation of the use of manipulative and deceptive market devices.

Many prominent brokers predict that the registration fee levied on exchanges by the law will be passed on to the customer, either by a direct assessment or an indirect levy. This fee, amounting to 1/500 of 1 per cent of the total dollar volume annually, will cost the New York Stock Exchange from $250,000 to $500,000 a year, it is estimated. Other brokers say that if business improves in Wall Street most firms could absorb such a tax without great hardship and doubt the wisdom of passing such a minute tax on to the customer under any circumstances.

Pools and Rumors

No longer will it be possible for the old style type of pool and "rumor factory" to operate. Operators of such pools and those who disseminate gossip for them will be subject to fine and imprisonment. They cannot buy options either as a gamble or an insurance against a thinly margined purchase or short sale, except in accordance with rules of the commission, which also will say whether they can sell short or use a stop-loss order to sell when the security reaches a certain price.

Such provisions as well as those requiring fuller and more frequent corporate reports may eventually do a great deal to restore public confidence. There is little reason to believe that the new law in the long run will seriously lower the general level of security prices, but the total volume of transactions will doubtless be reduced in comparison with what it might otherwise have been.

Another effect of the measure will be a strong tendency toward more uniformity in regulation of exchanges. This is vitally necessary since a large volume of securities is sold on exchanges which, compared with the N. Y. S. E., have set up little or no regulation. Over-the-counter markets will likewise have to subscribe to the minimum requirements to be announced by the Securities and Exchange Commission. It is not usually understood that these over-the-counter markets deal in at least as large a number of shares as do the organized exchanges.

Press Relations

The N. Y. S. E. and the N. Y. Curb have inaugurated a policy of conducting weekly roundtable conferences with financial reporters and editors in order to improve the relations of these bodies with the public.

CANADA COLLECTS MOST WAR DEBTS

But Greece and Roumania Owe More Than All Collections

A complete report of total loans and credits to foreign nations made by the Dominions and repayments to date was recently tabled in the House of Commons, Ottawa.

The report shows the following loans: Roumania, April 1919, $20,449,083; Greece, April 1919, $7,521,300; Italy, May 1919, $6,003,301; France, July 1919, $5,737,954; Belgium, April 1919, $6,291,125; total $46,002,765.

Repayments have been: Roumania, the loan funded in 1924, Canada receiving $23,969,720 four per cent bonds, due 1968; Greece, loan funded 1923, Canada received $8,000,000 five per cent bonds, maturing semiannually to 1948—of which $1,475,000 was paid from 1924 to 1931; Italy paid January, 1922; France, payment completed June, 1926; Belgium, payment completed June, 1924.

In the instance of Roumania $838,932 of interest is due and in arrears; Greece, $815,625 interest in arrears. This interest is in arrears on $30,494,720 of principal.

PARAMOUNT PUB. REORGANIZATION PLANS DUE SOON

Common Protective Committee Asks for Greater Support

Paramount Publix Co. trustees are completing a careful test of the company's whole position with the object of re-organization. It is claimed that the company is in a position within the next five months to get cash assets sufficient to look after claims of general creditors between $12,000,000 and $15,000,000 on some basis. In the first quarter of 1934 earnings exceeded $1,500,000 before interest charges. Something will depend on the new films with which the company will attack the market beginning in August next.

Total real liability may be scaled down to less than $60,000,000, it is suggested, and in such case end of bankruptcy would not be long delayed. This includes $25,000,000 bonds, $13,000,000 bank loans and the amounts due general creditors.

The Bondholders Protective Committee recently filed in the United States District Court for the Southern District of New York a petition to bring the Paramount Publix Corp., within the provisions of the new section 77B of the Bankruptcy Act, for the purpose of re-organizing. The individual bondholders made a similar petition. This amendment became effective on June 7, 1934.

Asks Common Deposit

Paramount Publix Corporation Stockholders Protective Committee has made another appeal to the holders of common stock to deposit their shares with the Commercial National Bank and Trust Co. of New York, 56 Wall Street, New York City. This depositary for the committee would issue to all depositing stockholders transferable certificates of deposit under the Deposit Agreement of January 27, 1933. These certificates of deposit are listed on the New York Stock Exchange, though the shares are no longer listed.

Needs Common Consent

The common shareholders committee expresses the view that under the new section of the Bankruptcy Act a reorganization would require the affirmative consent of a majority of the outstanding capital stock. It therefore desires that the committee shall be as early as possible representative of at least a majority of the common stock. With a large deposit it states that it would be in a position to propose plans of its own if it should not be satisfied with the forthcoming plan. It is thought bondholders and banking creditors may be offered a new income note or preferred stock.

The committee states that it has 1,495,000 out of 3,380,121 common shares outstanding or more than 44 per cent of the outstanding stock.

The committee is made up as follows: Duncan A. Holmes, chairman; Barney Balaban; John P. Bickell (Toronto); Gerald Brooks; Ryloff E. Cutten and Maurice Newton.

ADJOURN MEET OF MAPLE LEAF BONDHOLDERS

Quorum Lacking June 28 —Expect Reorganization to Pass

Meeting of bondholders of Maple Leaf Milling Co. held at Toronto on June 28, to consider a scheme of re-organization of the company has been adjourned 21 days to July 19 for lack of a quorum of bonds.

A quorum will not be necessary to pass upon the scheme at the adjourned meeting, under the terms of the deed of trust for the bonds. The plan of adjustment, which has been outlined in full in The Financial Post, is expected to pass since most of the bonds represented are expected to approve at the adjourned meeting.

Meeting of shareholders was held on July 3, but was adjourned to a later date.

At the bondholders' meeting $2,063,000 of the outstanding $4,620,500 of 5½ per cent first mortgage bonds was represented, it is understood.

Position Explained

Major A. E. Nash, a director of the company, stated that bank loans against inventories and receivables at May 31 amounted to $4,302,710, in response to one bondholders' enquiry. There were also advances of $1,993,700 against certain investments and securities of subsidiaries.

D. C. MacLachlan, general manager of the company, explained that the company's bank loans depend on the amount of wheat carried as inventory. While there is no company by-law limiting the volume of wheat that may be carried, all purchases are fully hedged, it was stated.

Maple Leaf Milling Co. shipped 26 per cent of the total Canadian flour exports last year, Mr. MacLachlan stated. Since half the company's business is in exports, competition from cheap foreign wheat has been a severe handicap.

Silverwood's Dairies Sales Increased 10% Net Profit Down 40%

Producers Get 17 p.c. More for Milk — Taxes and Relief Burden

DOING BETTER NOW

Company Thought Likely to List Preferred Stock in Fall —Further Expansion Weakens Liquids

Silverwood's Dairies, Ltd., net profits in the year ended March 31, 1934, were $105,225 or 1.57 per cent of total sales as compared with $173,944 or 2.81 per cent of total sales in the preceeding year. This was $15,663 short of the $4 a share now being paid on preferred stock but The Financial Post is informed by A. E. Silverwood, president, that all except two of the 27 subsidiaries of the company are showing an increased profit in April, May and June over the same quarter of 1934. The total increased profit for the first quarter is estimated at $25,000 and it is hoped that other quarters may measure up to this advance. With the reduction in sales tax on sugar and other adjustments it is also hoped that this summer sales of ice cream will be at a profit.

From time to time A. E. Silverwood has accompanied dividend cheques to shareholders with warnings against those who are trying to induce shareholders to exchange the stock for other stocks. So that shareholders may always possess a means of ascertaining at any time the actual market value of their shares, it is understood that directors will consider seriously the advisability of applying for listing on the Toronto Curb of the preferred stock.

The consolidated financial statement for the year ended March 31, 1934, gives a percentage analysis of the cost of all items entering into total sales. This makes it plain that lower profits on greater total sales are a result of the increased money paid to the producers in Ontario for their milk. The cost of materials was 59.2 per cent of the total sales, as compared with 54.77 per cent of sales in the preceding year. Total sales were 10 per cent higher and net profits down nearly 40 per cent for that reason.

Consolidated Income and Surplus Account

Years Ending	Mar. 31 1934 $	%	Apr. 1 1933 $	%
Sales	6,679,325	100	6,186,715	100
Cost of materials	3,949,100	59.12	3,388,625	54.77
Wages & exps.	1,787,783	26.77	1,769,211	28.60
Gross profit	942,442	14.11	1,028,878	14.11
Add: Other revenue	79,964	1.19	87,347	1.41
Gross trading profit	1,022,406	15.30	1,116,225	18.04
Admin. & indirect exps. etc.†	594,601	8.90	614,550	9.79
	427,805	6.40	501,675	8.25
Less:				
Amort. of pat. license	10,000		17,652	
Int. on debs.	17,886		....	
Deprec.	259,947		272,763	
Prov. for inc. tax	25,605		29,161	
Prov. for corp. tax	9,145		8,155	
Net profit	105,222	1.57	173,944	2.81
Less: Pref. divs.	120,869		203,150	
Pd. to minority s'hldrs.	16		60	
Deficit for yr.	15,663		29,266	
Add:				
Prev. surp.	1,507		1,359	
Surp. on red. of pref.	36,003		8,598	
Tax adj. prior yrs.	15,612		....	
Inc. under guar.	....		40,000	
Less: Adj. cap. assets	10,727		....	
W/o organ. exp.	21,577		....	
Tax adjust.	....		19,183	
Balance	5,154		1,507	

†Includes management fee and interest of $9,156 on deferred payment subscriptions under Employees' and Milk Producers stock purchase plans.

Thinks Worst is Over

Mr. Silverwood believes that in the four years of depression greater difficulties have been faced than may ever again confront the company. He thinks that any change from now on should be reflected in improved earnings from operations. Expenditures, he says, have been cut to the bone except in the uncontrollable matter of taxes. In the preceding year he had pointed out that net earnings would have been $75,000 higher had it not been for the taxes added in 1933. The allowances made on relief milk in various cities, in which Silverwood's distributed, cost in the year under review $100,000.

No immediate consideration of increase in the preferred dividend from 4 per cent is justified on 1933 earnings, it is pointed out. The arrears to the end of June amount to 3¾ per cent. No dividends on the common or Class A shares, which are owned to the extent of nearly 70 per cent by employees and their families, can be paid until the cumulative preferred dividends are fully cleared.

The company paid during the four years ended April 1, 1933, $1,238,922 in dividends and in 1934, $120,885. This is a five-year average of $271,961.

Working capital remained weak, current assets being lower and current liabilities being higher as shown by the following table:

Working Capital

	Mar. 31, 1934 $	Mar. 31, 1933 $
Current assets	460,520	473,060
Current liabilities	445,153	417,401
	15,367	55,659

Expanding

Of current assets cash dropped from $63,022 to $26,648; accounts and notes receivable went up from $209,694 to $220,364; inventories were also up from $180,566 to $190,232, while cash surrender value of life insurance, less loans on policy, went up from $8,081 to $14,891. Mortgages, receivable and sundry indebtedness dropped from $11,787 to $8,382.

This decrease in current assets and increase in current liabilities are direct results of further expansion during the year. Land values went up from $289,494 to $307,395; value shown for buildings is up about $20,000 to $1,746,735; machinery and equipment went up from $1,596,815 to $1,683,368; and containers and other floating equipment also went up from $239,770 to $250,816. Iceless cabinets at $910,134 showed an increase of $33,000. Trucks and automobiles and horses were slightly lower as were wagons and stable equipment.

Current liabilities included a bank loan, secured, of $56,092 as against nothing a year earlier. The total of accounts and notes payable dropped from $226,671 to $176,709. Accounts payable to milk and cream patrons of the company went up from $91,031 to $107,247. Mortgages payable went up from $153,025 to $162,761. Funded debt of subsidiaries fell from $219,300 to $190,250. Amount owing on purchase agreement due 1935 is $249,805. These last three items total $602,816, down $20,000.

The company has a commitment for construction of $32,400. A new power plant and well are being installed and are expected to save more in interest and other charges than is incurred. The company also assumed $20,000 banking and other obligations of Ontario Creamery Co., a competitor recently taken over. It is expected these will be arranged shortly.

The company redeemed $219,300 of 7 per cent preferred stock during the year at a discount of $36,003. Six per cent collateral trust debentures increased $112,430 to $373,804.

Forestry Education

Canadian Forestry Association is conducting a two months' educational tour of Manitoba by means of a lecture and demonstration car which, within the two months' period, will stop at 48 points in the province.

Crude Oil Crisis Affecting Canada Possible In U. S.

Difficulties in securing 100 per cent co-operation of oil producers in United States are being watched carefully by executives of oil companies. Many think it may eventuate in a drop in the price of crude oil again. If it does expectations in Canada for an improved situation for International Petroleum may have to be moderated somewhat as anything that affects world prices will automatically affect it.

Lower crude prices would also have an influence on profits from producing subsidiaries in Oklahoma and East Texas of the British American Oil Co. The threat, very serious at the moment, may bring a stronger effort to prevent this but no one can be sure of that at the moment.

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Utilities and Transportation

GROSS REVENUES UNITED TOWNS GAIN IN 1933

Inclusion of Subsidiary Earnings Aid Power Company

Improvement in gross revenue of United Towns Electric Co. for 1933 due to the inclusion of a full year's returns from a wholly-owned subsidiary Public Service Electric Company (acquired July 1, 1932), is shown in the annual report for 1933. Total gross revenues amounted to $161,195, compared with $157,833 in the previous year.

United Towns supplies electric light and power to the eastern coast of Newfoundland in the Avalon and Burin Peninsulas apart from the city of St. John's. The company now has two subsidiaries, Wabana Light and Power Co., which holds a franchise for the lighting of Bell Island, and the Public Service Electric Co., which operates at Heart's Content.

Power Revenues Gain

On its 1933 operations the company reports that revenue from light and heat at $102,703 shows a further reduction of over $3,000 for the year, despite the fact that a full year's revenue is included from Public Service Electric Co. Revenue from power shows a gain of over $6,000 to $45,793 due chiefly to the contract with Newfoundland Light & Power Co. in connection with supplying of power to the Bell Island Mines, undertaken on completion of the Topsail plant. Increased activity in the cold storage business at Bay Bulls and Burin was also noted.

Power consumption at the Conception Bay mills and factories continued at a very low level. A further decline was shown in net miscellaneous revenue which includes chiefly profit on sales of wiring materials, appliances. This dropped to $7,700, as compared with $8,900 in the previous year and $21,000 in 1931.

Assets Total $1,898,000

Assets as shown in 1933 balance sheet amounted to $1,897,922. Of this total just over a million and a half dollars was represented by plant, equipment and buildings. Capital stock outstanding amounted to $1,105,830 while bond indebtedness consisting of 6 per cent first and refunding bonds totalled $584,500.

Surplus in profit and loss account showed a slight increase at $5,515, and profits for 1933 were sufficient only to permit the payment of a quarterly dividend on the 8 per cent cumulative preference shares outstanding ($50,000) and on the 7 per cent cumulative preference shares ($450,000). No dividend was paid in 1933 on the 7 per cent non-cumulative preferred shares which are outstanding to the extent of $453,430, nor on the ordinary shares. Net profit for 1933 before dividend requirements was $21,137. Liability in respect of cumulative preferred dividends at the end of 1933 totalled over $44,000.

One problem which the company has had to face has been the difficulty of making collections in view of the distressed economic condition of its customers. Accounts receivable at the end of 1932 totalled $85,000 against which a reserve of $20,000 had been set up. At the end of 1933 receivables totalled $93,576 with a reserve of $25,000. In view of the fact that in the intervening twelve months $150,000 had been collected on account of either old debts or new obligations, the situation is considered satisfactory and bears out the wisdom of the company's policy "in exercising patience, tact and leniency in the collection of these accounts."

Orange Crush Sales Show Good Increase

Orange Crush Ltd. current sales are running substantially above the volume of a year ago, it was reported at the annual meeting of the company. May showed an increase of 21.9 per cent over the same month in 1933 while for the first five months sales have been 16.7 per cent greater than for the corresponding period a year ago.

Railway Operating Profits Record Sharp Gain in May

Canadian Pacific Net Nearly Double That of 1933 — Canadian National Also Shows Steady Improvement

From Our Own Correspondent

MONTREAL.—Net earnings of the Canadian Pacific Railway last May were nearly 85 per cent greater than for the corresponding period a year ago. This represents the eighth consecutive monthly increase reported by the company.

Gross operating revenues last May totalled $10,454,019, a gain of $1,664,734 over the same month in 1933. Operating expenses, including provision for pensions, showed an increase of $838,615 to $8,652,091. This left a net income of $1,801,927, or $826,118 more than the $975,809 reported in May, 1933.

Consistent Gain Noted

The increases reported in the five months since the beginning of the current year are reflected in the cumulative returns. During the first five months of 1934 the Canadian Pacific had a gross, of $47,201,416, a gain of $6,917,552 over the corresponding period last year. Expenses increased $3,430,464 to $40,902,584, but net income for the January-May period this year at $6,298,832 compared with $2,811,753 for the same period a year ago.

Following is a record of the net operating income of the Canadian Pacific for the first five months of the year from 1929 to 1934:

1934	$6,298,832
1933	2,811,753
1932	3,673,261
1931	5,770,472
1930	6,639,017

The improvement in the volume of traffic handled by Canadian railways over the last six months, is reflected in the operating statements of the Government-owned Canadian National Railways.

Gross operating revenues last May totalled $14,767,854. This compares with $12,260,416 in the corresponding month of last year. Operating expenses, which in May, 1934, were $12,948,818, showed an increase of $881,608 compared with May, 1933. Net revenue last May of $1,819,036 compared with $193,206 for the same month last year, an increase of $1,625,830.

For the first five months of the calendar year to May 31, gross operating revenues of the all-inclusive system of the Canadian National Railways were $65,581,300. This represents an increase of $11,632,451 over the revenues for the corresponding period of 1933. Operating expenses this year at $62,191,052 compare with $57,913,726 in 1933, an increase of $4,277,326. The net operating revenue for 1934 up to the end of May was $3,390,248 as compared with a deficit of $3,964,877 for the corresponding period of 1933, an improvement of $7,355,125.

Montreal Tramways Seek Data On Trackless Trams

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. is giving serious consideration to the introduction of trackless trolley cars in Montreal and other areas in which the company operates. To the end of determining the best type of equipment suited to its needs, the company is sending two oficials to England to make a study of the trackless trolley systems in operation in that country.

In an official announcement respecting its plans, Montreal Tramways state that within the last year exhaustive surveys were made in the United States, but it was realized that important developments in the manufacture and operation of trackless trolley cars had taken place in England.

The statement goes on to say that as it is desirable that the first cars installed in Montreal should be of the most modern and efficient type, two officials of the company are being sent to England to investigate fully the equipment which the English manufacturers are turning out and to become thoroughly familiar with their methods of operation.

On the return of these delegates, complete facts concerning these cars in England and on this continent will be available to the company and the Montreal Tramways Commission, so that a decision may be reached as to the type of car which will serve Montreal most efficiently.

Mexico Trams Earnings Declining So Far in 1934

While losses are still reported by Mexico Tramways Co., the rate of decline for the first five months of the present year has been considerably reduced from last year, due largely to economies in costs of operation. Gross earnings in May amounted to $208,683 as against $246,151 for May, 1933, and operating expenses were $264,549 against $322,136, thus resulting in a deficit for May, 1934, of $55,866 as against $75,985 for the same month last year.

For the five month period ending May 31, 1934 gross earnings declined $181,488 but operating expenses during the same period were reduced from $1,588,249 a year ago to $1,336,024 or nearly 16 per cent. The net loss for the first five months was $310,843 as compared with $381,580.

M. L. & P. Co.

Mexican Light & Power Co. showed net earnings of $245,440 for May as compared with $258,723 for the same month a year ago or a decrease of slightly over five per cent. Gross declined from $747,706 to $699,251 and, while operating expenses were down $35,172, they did not completely offset the decline in gross.

For the five-month period ending May 31, 1934, total net earnings were $1,284,128 as compared with $1,412,174 for the same period last year or a decline of about nine per cent. Operating expenses for the first five months were reduced 9.7 per cent compared with the 9.48 per cent reduction in gross earnings which were $3,496,364 for 1934 as compared with $3,862,391 for the same period in 1933.

Shawinigan Present Plan For Three Rivers Services

From Our Own Correspondent

MONTREAL.—Contract whereby the Shawinigan Water & Power Co. will supply electrical energy for street lighting and municipal services of Three Rivers for a ten-year period, and at an estimated saving of $3,500 a year to the municipality, has been submitted to the city.

There is a difference of opinion between the municipality and the company as regards the rates which should be charged for these municipal services, and though negotiations have been going on for several weeks, no decision has been arrived at between the parties.

Public Utility Earnings

Winnipeg Electric

	1934 $	1933 $	Incr. $
May—			
Gross earn.	416,593	408,908	7,685
Oper. exps. & depr.	308,138	313,033	*4,895
Net earn.	108,455	95,875	12,580
Fixed charges	110,254	112,228	*1,974
Net income	†1,799	†16,353	14,554
Five Mos. Ended May 31:			
Gross earn.	2,271,402	2,273,164	*1,762
Oper. exps. & deprec.	1,613,137	1,647,680	*34,543
Net earn.	658,265	625,484	32,781
Fixed charges	554,076	568,811	*14,735
Net income	104,189	56,673	47,516

*Decrease. †Deficit.

Canada Northern Power

	1934 $	1933 $	Incr. $
May—			
Gross	337,993	297,358	40,635
Oper. exp.	118,076	92,535	25,541
Net earn.	219,917	204,823	15,094
Five Mos. End. May 31:			
Gross	1,663,579	1,487,767	175,812
Oper. exp.	543,938	453,840	90,098
Net earn.	1,119,641	1,033,927	85,714

Jamaica Public Service

	1934 $	1933 $
May—		
Gross earnings	65,617	65,519
Net earnings	25,018	25,604
Surplus after chgs.	15,968	16,309
12 Mos. end. May 31:		
Gross earnings	805,981	793,816
Net earnings	324,743	330,767
Surplus after chgs.	211,545	219,167

Mexico Tramways

	1934 $	1933 $	Decr. $
May—			
Gross earn.	208,683	246,151	37,468
Oper. exp.	264,549	322,136	57,587
Net earn.	*55,866	*75,985	*20,119
5 Months—			
Gross earn.	1,025,181	1,206,669	181,488
Net earn.	*310,843	*381,580	*70,737

*Deficit.

Mexican Light & Power

	1934 $	1933 $	Decr. $
May—			
Gross earn.	699,251	747,706	48,455
Oper. exp.	453,811	488,983	35,172
Net earn.	245,440	258,723	13,283
5 Months—			
Gross earn.	3,496,364	3,862,391	366,027
Net earn.	1,284,128	1,412,174	128,046

Railway Earnings

Canadian Pacific Railway

	1934 $	1933 $	Inc. $
May—			
Gross	10,454,019	8,789,285	1,664,734
Exp.	x8,652,091	7,813,476	838,615
Net	1,801,927	975,809	826,118
Five Months—			
Gross	47,201,416	40,283,863	6,917,552
Exp.	40,902,584	37,472,110	3,430,464
Net	6,298,832	2,811,753	3,487,078

x—Including pensions.

POLITICS NOW CHIEF WORRY OF BRAZILIAN

Shareholders Uncertain While Re-writing of Rate Agreements Proceeds

Brazilian Traction Light & Power Company's annual meeting on July 5 had little new to add to the general situation well portrayed in the annual statements. Net profit was only $3,428,955 as compared with $5,239,468 in 1932 and $16,025,339 in 1930 and this though gross receipts declined only 3.03 per cent and revenue 7.7 per cent. Very little could be added to the statement in the report that "it is impossible to make any statement at present regarding resumption of dividends on the ordinary shares in view of the exchange and remittance difficulties and the uncertainties of the rate situation."

Shareholders watched with comparative stoicism the decline in the exchange rate and the cessation of dividends, feeling that their company was participating with all Brazil in bad times, and that, as the coffee situation was regulated and favorable balances of trade established abroad, dividends would in the ordinary course of events eventually be resumed. In fact, as the coffee surplus is within measurable distance of being used up by the middle of 1935, optimism was beginning to mount. But now uncertainty with regard to political and government objectives concerning foreign capital invested in productive enterprises has been taking its place.

Are New Agreements Profitable?

During the last few years there has been considerable opposition in the various municipalities where its subsidiaries operate to the gold clause in the terms of its concessions. This was not a special device of Brazilian Traction, but it has been a regular method used since 1850 to ensure that charges in Brazilian currency can be met. Naturally all sorts of difficulties were created for foreign companies when the Brazilian government last November decreed that no contract should stipulate for payment other than in paper milreis and declared "null and void" existing contractual clauses contrary to this law.

Brazilian Traction put in force temporary rates while fresh agreements were being arrived at. Such a decree throws all rates more or less into the melting pot and just what it will mean to shareholders cannot be judged ahead of time. Most travellers have reported this company as giving exceptionally valuable service to Brazil through its subsidiaries. It has expanded progressively and substantially during the last decade in Brazil and could be expected to bring many millions more of new capital to Brazil in happier times to come if it gains assurance from the present experience that Brazil will be willing to afford in rates "a just return."

Bending Backward

The present government under Dr. Vargas contains both men of considerable financial and political experience and a number of "hot heads," who have to be reckoned with as well.

The fear all along has been that local political exigencies may overrule cooler judgment as to where the real interests of the nation lie. That is not a crisis peculiar alone to Brazil, but a government secured by revolution and not by popular vote sometimes finds it politic to "bend backward" in measures to please vociferous sections of the population.

Power Corp. Group Output Moves Ahead

From Our Own Correspondent

MONTREAL. — Subsidiaries and affiliated companies of Power Corp. of Canada report an aggregate power output last May of 150,098,744 kw.h. This compares with 136,777,914 kw.h. for the same month last year, an increase of 9.7 per cent. The largest increase is that of 34 per cent reported by Manitoba Power Co., while Canada Northern Power Corp. reported an increase of 12 per cent.

Comparative totals are as follows:

May:	1934	1933
Southern Canada	20,124,290	18,800,880
Canada Northern	44,712,565	39,834,110
East Kootenay	4,725,136	5,742,368
B. C. Power	35,917,193	34,469,236
Northern B. C.	919,460	892,220
Winnipeg Electric	17,903,000	17,794,900
Manitoba Power	25,699,000	19,151,000
Nor'western Power	98,100	93,200
	150,098,744	136,777,914

Edmonton Growing

Edmonton's population for 1934 is 79,773, a new high record and an increase of 542 over last year, it is announced by the city assessor and tax collector.

Mass Buying Enquiry

Special Investigators Present Results of Work—Contract Labor in Quebec Garment Trade Under Fire—Fishing in Maritimes Shown as Losing Proposition

Reports of special investigators formed the bulk of the evidence presented before the Stevens Mass Buying committee at the last two public sessions prior to the adjournment.

The Financial Post continues its summary of the evidence:

J. G. Glassco, of Clarkson, Gordon, Dilworth, Guilfoyle & Nash, continued his evidence on the operations of a group of Quebec concerns manufacturing women's dresses, shoes, etc., stressing the wages paid and the amount of total production sold to department stores. The names of the concerns were not revealed.

Wages Very Low

Highlights of Mr. Glassco's evidence on June 21 were:

Shoe company formed in 1932 sold 23 per cent of output to department stores. There was no evidence of concessions on regular merchandise sold to large buyers.

Rates paid to male employees were particularly low and infractions of the Minimum Wage Act were noted in the case of female employees. Average weekly wage of female workers was $6.83 and male workers $4.71.

Summary of wages paid in eight shoe firms investigated showed that five did not pay all employees minimum wages, that male wages were generally lower than female, that the majority of males received less than $9 a week.

Clothing Factories

There are two methods of manufacturing clothing in the Montreal area, viz.: clothes manufactured on manufacturers' premises and by contract labor. Contract labor is of four types, viz.: in own shop, manufacturer supplying materials, etc.; independent contract shops which solicits work from manufacturers; controlled shop in small village working for Montreal manufacturer; garments made in employees' homes, materials and cut cloth distributed and suits picked up by contractor.

Most of the cheap grades of men's pants were made by the last method.

Wage rates paid by these manufacturers were filed, showing higher rates for inside workers than shoe factories. Amounts paid to contract labor were small, however.

Explains Lack of Names

Mr. Stevens explained that the reason the names of manufacturers were not given was because only a small number had been investigated and it was not thought right to list those when many others were in the same position with regard to wages, etc.

T. V. Hurson gave evidence of having visited 47 contract shops but was handicapped by lack of wage data and hours worked. Only four were observing the Minimum Wage laws. Working conditions were generally very bad. Contract shops did not make returns to the Minimum Wage Board.

Fair Trade Council Findings

R. P. Sparks, representing the National Fair Trade Council, gave the result of studies of previous evidence presented to committee. Highlights were:

Council had no objection to department stores but only to chain department stores such as Eaton's, Simpson's and Hudson's Bay. Considered that when a firm has ten per cent of purchasing power of consumer goods—such as Eaton's—it is dangerous and brings about low wages and poor working conditions.

Three big stores did 14.77 per cent of retail trade in lines in which they compete. Eaton's doing 7.5 per cent of all retail trade of Canada in 1929.

Presented statement showing that maintained mark-up of large stores has been increasing during past five years. Said that this was due to inefficient operation and top-heavy financial structure.

Over 36 per cent of business of independents was credit business as compared with 20 per cent of department store business.

Makes Suggestions

Mr. Sparks made the following suggestions:

"The medium which can be best used to improve conditions is trade associations. We have not much faith in government administration of the minimum wage laws. . . . The first thing to do is to amend the Combines Act."

A. E. Nash, C.A., filed summaries of evidence on department stores previously given before committee.

Leonard W. Fraser filed a report of an enquiry into the fishing industry in the Maritimes and Quebec made at the request of committee:

Highlights of report were:

Average net return to fisherman is less than $300 on the average. From this he has to repair his gear, feed himself and family, etc. This is stated to be obviously impossible.

Chain stores blamed for selling fish at less than cost.

General opinion of fishermen and dealers favored Marketing Board.

Difference in price between what fishermen get and consumers pay boosted by high mark-ups, many handlers.

Suggest committee make first-hand investigation on points brought out.

Furniture Industry

C. V. Fessenden, special investigator of furniture industry, said bulk of furniture was sold to department stores. Combined financial returns of 29 companies showed losses of nearly $600,000 in 1933.

Filed list of specific sales, taken at random, the average for 38 showing a net loss of $10.42 for the manufacturer on an average sale of $76.

Jamaica Public Service Income Off During May

From Our Own Correspondent

MONTREAL. — A moderate decline in earnings is reported by Jamaica Public Service and subsidiary companies. Gross income last May totalled $65,617 compared with $65,519 for the same month last year. After the payment of operating expenses, net earnings totalled $25,018, and the surplus after all charges $15,968. For May last year, net earnings equalled $25,604 and surplus $16,309.

Cumulative returns for the twelve months ended May 31, 1934, show gross earnings of $805,981; net earnings $324,743; surplus after charges $211,545. For the preceding twelve months gross income amounted to $793,816; net earnings $330,767; and surplus after all charges, $219,167.

Chemical Research Found. Gets Royalty Payments

Chemical Research Foundation has announced the receipt by its controlled subsidiary, Gyro Process Co., of a payment of $100,000 from the Japanese Government, being royalties in full to date for the Gyro process refinery in Tokio, which was completed in 1933. The money was in escrow pending completion.

The Gyro Process Co. has also received $71,250 from the Anglo-Mexican Oil Co., a subsidiary of Shell Union Oil, this being the half-yearly royalty from the Gyro process refinery at Tampico, Mexico.

Shares of B. C. Packers Off Regular Exchanges

Share of British Columbia Packers Ltd. have been removed from the Montreal and Toronto stock exchanges and are now being traded on the Montreal Curb Market. It is understood that the action was taken with a view to economy by the company, and followed in the case of the Toronto Stock Exchange automatically on the removal of the Toronto transfer registry to Vancouver.

Chemical Research Paid $100,000 By Japanese

An announcement by Chemical Research Corp. states that the company has received $100,000 from the Japanese Government, being paid-up royalties from the Gyro Process refinery completed in 1933 at Tokyo.

The company has also received $71,250 from the Anglo-Mexican Oil Co., a subsidiary of the Shell Union, this being the semi-annual royalty from the Gyro Process refinery installed at Tampico, Mexico.

Momentum of Recovery Movemen

Our July Review and Bond List summarizes some of the forces involved in the world recovery movement. The Review also comments on the continued trend toward lower interest rates.

Canadian Government, Municipal and Corporation Bonds offer excellent investment opportunities. A comprehensive list of such securities is included in our July Review and Bond List.

Copy gladly forwarded upon request.

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Recommended Investments for Re-employment of July Funds:

	Rate	Maturity	Price	Yield
Dominion of Canada	4½%	Nov. 1, 1958	105.	4.04%
Province of Quebec	4½%	Jan. 2, 1963	107.50	4.06%
**Province of Ontario	4½%	Jan. 15, 1964	107.50	4.07%
*Province of New Brunswick	4½%	Apr. 15, 1961	104.	4.25%
City of Montreal	4½%	May 1, 1943-48	99.50	4.55%
Canadian Pacific Railway (Convertible)	5%	Sept. 1, 1963	103.50	4.77%
*City of Montreal	4%	July 2, 1949	97.75	4.20%
Calgary Power Company	5%	June 1, 1964	97.	5.20%
**West Kootenay Power & Light Co.	5%	Mar. 1, 1956	104.50	4.67%

*Payable Canada and New York.
**Payable Canada, New York and London, Eng.

A list of additional recommended securities will be supplied upon request.

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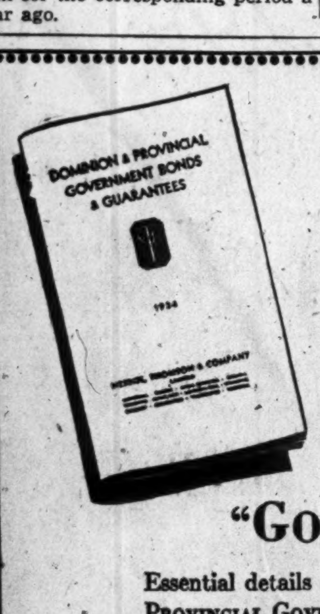

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News of Investment Markets

BOND PRICES IN HALF YEAR UP SHARPLY

Improvement Extended to All Classes of Bonds

MORE NEW ISSUES

London Financing, Foreign Exchange and Credit Policies Among Important Price Factors

Comparison of Canadian bond prices at June 30, mid-year, with those at Jan. 1, 1934, reveals a substantial improvement in quotations. The advances have included some of the most spectacular in years. All types of bonds have participated in the improvement.

The features of government financing in the period were the loan of £10,000,000 raised by the Dominion in London at 3.48 per cent, and sale of $30,000,000 of Dominion treasury bills by public tender, the first occasion on which this was done. Both these measures are believed to have assisted materially in strengthening Canadian bond prices, particularly for gilt-edged government securities.

Another important development was passage of legislation to increase Dominion note issues, as a credit-easing policy of the Dominion government. The results of this operation and the effects of the activities of the new central bank, however, have yet to develop.

New Financing Heavier

The improvement in corporation bond prices brought out important corporation bond offerings, and expanded the total of new issues. New financing in the six months, omitting Dominion treasury bills, totalled $159,713,272, compared with $71,592,738 in the same period of 1932, according to Dominion Securities Corp. Comparison of offerings is shown below:

Canadian New Issues
Six Months Ended June 30

	1934 $	1933 $
*Dominion	48,666,666	nil
*Provincial	59,325,000	43,524,000
Municipal	11,490,010	20,383,738
Railway	12,000,000	nil
Public utility	22,800,000	7,125,000
Ind. & misc.	5,431,596	560,000
Total	159,713,272	71,592,738

*Excluding treasury bills of less than one year.

Foreign exchange quotations are given much of the credit for the advance of bond prices in Canada. The premium on sterling and comparative stability of the American dollar tended to restrict American sales of Canadian securities, and apparently brought an inward flow of capital from Great Britain.

The advance of corporation bond prices is shown below in the list of comparative bids compiled by Royal Securities Corp. The improvement in the gilt-edged market is shown by the rise in average price of seven bonds, and the accompanying decline in average yield, as compiled by The Financial Post. These comparisons follow:

***Corporation Bond Prices**

	Bond		Jan., 1/34 Bid	June, 30/34 Bid	Change
Railway & Navigation Bonds					
C. S. L.	5	'43	65	93½	+28½
C. S. L.	6	'41	15	30½	+15½
C. P. R.	4½	'44	75	90½	+15½
C. P. R.	5	'54	77	98½	+21½
C. P. R.	6	'42	99	108	+9
Public Utility Bonds					
Assoc. Tel. & T.	5½	'55	42	48	+6
Bell Telephone	5	'55	102	107½	+5½
B. C. Power	5	'60	84	99	+15
B. C. Telephone	5	'60	94	101	+7
Calgary Pwr.	5	'60	86	96½	+10½
Can. Nor. Pwr.	5	'53	80	95	+15
Dom. Gas & El.	6½	'45	50	59	+9
Duke-Price Pr.	6	'66	74	94½	+20½
Gatineau Pwr.	5	'56	77	92½	+15½
Gatineau Pwr.	6	'41	69	88	+19
Int. Hydro-El.	6	'44	41	57	+16
Maclaren-Que.	5½	'61	80	98	+18
Manitoba Pwr.	5½	'51	36	62	+26
Marit. T. & T.	5	'56	93	99	+6
Montreal Is. Pr.	5½	'57	98	101	+3
Mtl. L. & Pr.	5	'51	104	107½	+3½
Montreal Tram.	5	'55	72	78	+6
Nat'l. Lt. & Pr.	6	'49	55	79	+24
N. S. Lt. & Pr.	5	'48	85	96½	+11½
Otta. L. H. & P.	5	'57	95	101½	+6½
Ottawa Val. Pr.	5½	'70	99	105½	+6½
Power Corp.	4½	'59	62	77	+15
Quebec Pwr.	5	'68	88	100½	+12½
Shawinigan	4½	'70	72	90½	+18½
Shawinigan	5	'70	82	100	+18
S. Can. Pwr.	5	'55	98	104	+6
Winnipeg Elec.	6	'54	18	48½	+30½
Industrial Bonds					
Abitibi P. & P.	5	'53	18	33	+15
Alta. Pac. Grain	6	'46	68	68½	+½
B. A. Oil	5	'45	99	102½	+3½
Burns & Co.	5½	'48	29	33½	+4½
Canada Bread	6	'41	88	92	+4
Canada Cement	5½	'47	79	94	+15
Can. Canners	6	'50	95	102	+7
Can. Copper R.	6	'45	104	106	+2
Can. Cottons	5	'40	95	101	+6
Can. Int'l. Pap.	6	'49	50	67	+17
Can. Vickers	6	'47	50	48	—2
Cons. Press	6½	'49	75	93	+18
Consumers' Glass	5	'48	84	95	+11
Dom. Canners	6	'40	102	106	+4
Dominion Coal	5	'40	70	97	+27
Dominion Tar.	6	'49	62	86	+24
Dom. Textile	6	'49	105	108	+3
Dom. Woollens	6	'48	23	55	+32
Eastern Dairies	6	'49	59	73	+14
Eaton, T. Realty	5	'49	89	97	+8
Famous Players	6	'48	76	90½	+14½
Federal Grain	6	'49	65	72	+7
Fraser Cos.	6	'50	24	45	+21
Gen. St'l Wares	6	'52	57	84½	+27½
Gypsum Lime	5½	'48	56	78½	+22½
Ham. By Prod.	7	'43	87	101	+14
Ham. Cottons	5½	'48	60	88	+28
Int. Paper	6	'55	38	58	+20
L. St. John P. & P.	6½	'47	33	54	+21
Massey-Harris	5	'47	62	69½	+7½
McColl-Front.	6	'49	95	101	+ 6
Mercury Mills	5½	'53	53	72	+19
Penmans	5½	'61	99	105½	+ 6½
Price Bros.	6	'43	64	95	+31
Prov. Paper	5½	'47	86	95	+ 9
Reliance Grain	6	'48	74	84	+10
Restigouche	6	'48	39½	78½	+39
Simpson's	6	'49	77	96	+19
Smith, How.	5½	'53	74	93	+19
Steel of Can.	6	'40	106	107½	+ 1½
Wabasso Cotton	6	'47	74½	95½	+21

Average Price and Yield on Seven Government Bonds

	Jan. 1. 1934	June 30, 1934	Change
Price	$102.54	$108.84	+6.34
Yield	4.517%	3.956%	—.561

*As compiled by Royal Securities Corp.
†Compiled by The Financial Post.

Bond Tenders

5 p.m., July 10, School Mun. Grand'Mere, Que.—$15,000, 5 per cent bonds, dated Oct. 1, 1931, redeemable annually, by series, maturing in 20 years. Bonds form part of an issue of $116,000, whereof $1,000 has already matured. Auguste Desilets, sec.-treas.

July 10, St. John, N.B.—$219,000, 4 per cent debentures, as follows: $16,000 due 1936; $16,000 due 1937; $18,000 due 1938; $19,000 due 1939; $20,000 due 1940; $21,000 due 1941; $27,000 due 1949; $48,000 due 1954; $8,000 due 1964; $26,000 due 1974. K. D. Hopkins, common clerk.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
St. John D. Dock	5½%	Serial	July 5	105
Rowntree Co. Ser. A	6%	10-yr.	Aug. 1	
Can. For. Invest.	7%	1949	Aug. 1	105
Walmsley, Chas.	6%	1943	Aug. 1	103

BRITAIN MEETS BUDGET DEFICIT NEWFOUNDLAND

Grants $2,192,500 Plus $1,008,000 to Help Development

The Government of Great Britain has undertaken to wipe out Newfoundland's anticipated budget deficit of $2,192,500 for the 1934-5 fiscal year, Hon. E. N. R. Trentham, Commissioner for Finance in the island's new Government, stated recently in outlining the budgetary position.

The British Colonial Development fund will also make $1,008,000 available for Newfoundland, of which $208,000 was to be an outright grant in addition to the grant for the budget deficit. The other $800,000 is to be in the form of a loan repayable in three years without interest.

Newfoundland's revenue for the 1934-5 year was estimated by Mr. Trentham at $9,110,104, against expenditure of $11,303,604. Expenditure has been greatly reduced through conversion of debt, and estimated revenue is the highest in three years. A saving of nearly $2,000,000 has been effected by reducing the island's interest charges from $5,113,145 to $3,115,000 per annum.

To Aid Fisheries

Expenditures will include large amounts to rehabilitate fisheries. Some $500,000 of the development fund will be used to aid fishermen; $244,000 to equip and stock boats with provisions and bait; $204,000 to put vessels into the Labrador fishery and $60,000 to provide power units for small craft. Another $300,000 is to be used for the development of Port Aux Basques for the export of paper, and $200,000 for development of roads and bridges. Some $200,000 is to be appropriated to encourage agriculture. There will be an increase of $679,171, chiefly to aid fisheries and agriculture, in expenditures of the Department of National Resources.

The grants for fisheries are part of an attempt to increase catches, and to build up markets abroad. Competition in recent years has lost Newfoundland a part of the market in Southern Europe and Latin America. These are the principal markets for fish exported from the island.

R.C. Corp. of Prince Albert Deal With Bondholders

From Our Own Correspondent

MONTREAL.—Bondholders of the Roman Catholic Episcopal Corp. of Prince Albert, Sask., have accepted the plan of the Diocese of Prince Albert to reduce from 5½ per cent to 4 per cent the interest on the bonds.

The interest reduction will be for a period of five years, commencing June 1, 1933. The rate will be raised to 5 per cent from June 1938 until maturity. Date of maturity of the bonds is also delayed five years.

A motion to accept the corporation's offer was adopted without vote, although Oscar Dube, who represented bonds totalling $29,000, protested.

CITY GAS REPORT REVEALS COMPANY IN INITIAL STAGE

Eight Months Statement Indicates Further Extension

From Our Own Correspondent

MONTREAL.—City Gas and Electric Corp.'s financial statement for the eight months ended August 31, 1933, indicates that the company is still in the development stage, while income for the period was insufficient to take care of expenses.

This company owns and operates a gas manufacturing plant at Three Rivers, an electrical distribution system at Yamaska, P.Q., an electrical distribution system and waterworks in Amos, P.Q., and mills in Huntingdon, P.Q. Since the close of the last fiscal period, City Gas has acquired the assets of the Public Service Corp., which owns and operates the waterworks at Ste-Therese, P.Q.

The reason for the issuance of the eight months statement is given in the report by the president, who states that a special balance sheet was drawn up for the Montreal Curb Market when the company applied for listing of its shares and that the directors did not feel the expense was warranted in preparing an additional balance sheet covering a four months period.

Deficit is Shown

Particulars of the eight months income account follows:

Operating profit	$13,950
Less: Gen. expenses	32,900
Taxes & ins.	5,109
Shareholders' records	1,274
Bond & other int.	10,634
Cost of financing	18,447
Add: Prop. of Expenses considered by directors as applicable to cost of development	37,739
Deficit	$16,675

Capital Liabilities Greater

At the end of last August the balance sheet showed assets of $939,509 compared with $345,618 at the end of December, 1932. The only change in the capital stock is an increase from 8,733 to 51,647 no par value shares of common stock. The funded debt of the parent company increased during the 8 months from $82,000 to $156,200, while $73,700 first mortgage bonds of the Amos Water and Power Co. appear among the liabilities for the first time.

Current liabilities are three times as large as current assets, amounting to $163,297. Included in this category are bank loans of $16,595 and $87,710 owing to directors, associates and shareholders.

Among the assets fixed assets increased since the beginning of 1933 to the end of August from $256,381 to $683,524. Current assets total $53,972, consisting largely of accounts receivable and stocks of inventories on hand.

There is an amount of $134,558 owing on common stock underwriting.

Investment Notes

Significant Investors' Index Numbers
1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	17	6	4	4	10	18	8	87	20	113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
Weekly Figures, 1934:										
June 7	102.7	12.5	74.4	157.9	77.3	134.8	131.4	125.9	54.7	93.1
June 14	104.8	12.1	73.5	162.1	78.2	134.4	140.2	129.5	55.5	95.7
June 21	105.5	11.7	73.7	164.2	76.8	133.5	135.3	129.4	55.3	96.3
June 28	102.7	11.2	73.9	161.1	75.8	131.5	128.1	126.2	53.3	93.0

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 3 close	99.04	125.56	93.04
June 29 close	100.99	125.34	93.64
Week ago	101.55	124.33	94.05
Month ago	102.81	123.45	96.72

Consumers' Gas Sales Gain

JUNE sales of gas by the Consumers' Gas Co. of Toronto being slightly in advance of sales for June, 1933, officials state this is the sixth consecutive month in which gains were recorded. Though sales were lower in the first three months of the current fiscal year, total sales for the nine months ended June 30th are almost identical with the total for the corresponding nine months of 1932-33. Sales of appliances are much better.

If advances continue for July, August and September, the financial results for the current year are expected to be slightly better than for the year ended September 30, 1933, the low point of the depression for the company.

* * *

Cleaners Price Pact

INVESTORS in Langleys, New Method and similar companies will be interested in the recent approval by Toronto city council of a schedule of minimum and maximum prices for the cleaning and dying industry.

In spite of a warning from the mayor that the passing of such a regulation would start other industries also asking for price fixing legislation the move went through the city council.

* * *

Construction Securities

A MORE hopeful attitude toward construction companies' securities has been taken by investment markets since the first of the year. Bonds of Gypsum, Lime and Alabastine, Canada Cement, Canadian Vickers, and others have shown improvement.

Underlying conditions for the building and construction trades are apparently improving. And there has been a considerable increase in construction in Canada this year, still leaving the industry heavily depressed, however.

The problem of the construction industry, in the opinion of economists, is primarily financial. Almost total cessation of new long term lending in 1932 and 1933 is considered the primary cause of the construction slump. Declining interest rates, returning confidence, and possibility that provincial moratoria may be at least partially lifted are viewed as constructive factors.

* * *

Steel and Rolling Stock

AMONG the industries that have suffered from lack of "capital goods" purchasing during the depression are nearly all the Canadian steel and foundry companies, and manufacturers of railway equipment and rolling stock. While the railways have been planning to economize by cutting out unprofitable lines, there has been no suggestion that there is any economy in operating antiquated rolling stock.

Undoubtedly the ability of the railways to finance equipment purchases economically will be an important factor in determining when decisions will be made to renovate rolling stock. And the volume of traffic is another important influence. Both these conditions have been improving.

Steel companies, of course, would benefit from any general revival of the construction trades, and especially of railway outlays for renovating roadbeds. Shares of companies in these heavy industries have been sluggish because their volume of business has been poor. But economists contend that Canada's capital equipment has been wearing out and that replacements must be made sooner or later. This may have an important bearing on the position of investments in "capital goods" industries.

* * *

Pete. Strongest in June

SALES on the industrial section of the Toronto Stock Exchange for June totalled 436,263 shares as compared with 605,786 in May. There were as well lower dollar transaction values of $8,734,829 against $14,882,228 in May.

There was little change in price. Twenty representative stocks had a narrow range of fluctuations.

Oil stocks were strong but the lead was not accepted by the board as a whole.

Share transactions in May and June of the ten most active stocks on the industrial section and net price changes are shown below:

Stock	Shares June	Shares May	Price Change
Nickel	55,546	90,602	off ½
Pete	40,609	25,906	up ½
Imp. Oil	27,149	33,312	up ¼
Brew. Corp.	25,504	23,866	off ½
Walkers	21,664	77,598	up 1½
C.P.R.	16,483	23,391	off 1½
Ford A	15,319	19,102	off 1
Brew. & D.	15,055	14,382	off ¼
Brazil	14,607	20,220	off ¼
Dist. S.	12,665	10,323	off ¼

International Petroleum repeatedly hit its high point for the year, and was one of the few leaders to show a net advance. Imperial Oil was affected sympathetically. International Nickel's position as leader in share and totals was maintained although the volume for June was lower.

* * *

Small Brazilian Coffee Crop

THE Sao Paulo Coffee Institute of Brazil estimate that the 1934-1935 crop of coffee will be 10,520,000 bags, compared with a yield of 20,500,000 bags in 1933-1934. The Sao Paulo district produced nearly 70 per cent of the total Brazilian coffee crop last year. This great reduction is a great aid to the government programme of destroying coffee to reduce the world surplus. More than 27,000,000 bags of coffee have been destroyed and with the world consumption now up to 17,000,000 bags yearly, successful readjustment is expected by the middle of 1935.

Nesbitt, Thomson and Co. Issue Government Survey

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson & Co. have published a revised edition of their handy and informative booklet on Dominion and Provincial Government bonds and guarantees. As its name implies the booklet provides pertinent information on all Dominion and provincial Government issues, both direct and indirect. There is also a chapter setting forth comparative statistics on Canadian provinces.

Rene T. Leclerc Offer Sherbrooke Serial Bonds

From Our Own Correspondent

MONTREAL.—Rene T. Leclerc Inc. are making a public offering of $75,000 of City of Sherbrooke 4½ per cent serial bonds, due June, 1935 to 1954, to yield about 4.40 per cent.

Principal and interest on this issue is payable only in Canadian funds.

Halifax Port Busy

Traffic at the Port of Halifax continues to expand with the May car tonnage, inward and outward, at 124,648, compared with 99,979 tons for May, 1933, and with 116,984 tons for May, 1932.

VAN. PROPERTIES TO PAY INTEREST DUE LAST AUGUST

Slightly More Space Rented and Operating—Cost Reduced

Vancouver Properties, Ltd., will announce for August 15, 1934, a semi-annual interest payment on the 6 per cent gold bonds, The Financial Post understands. This will be the distribution which fell due on August 15, 1933, the company being one year in arrears in its payments.

Improved collections, economies in operation, and a slight improvement in total space occupied in the building owned by the company made it possible to arrange the payment at this time. The management has been operating in close co-operation with a bondholders' committee, and through lower cost of operation has been able to offset reductions in rentals which took place about a year and a half ago. Taxes falling due this summer have been paid in advance, it is understood. The bond issue on the building amounts to $1,000,000, dated February 15, 1929, and falls due on the same day in 1944.

PLAN TO AMORTIZE MOOSE JAW TAXES

City Council Would Include All Taxes Over 2 Years in Arrears

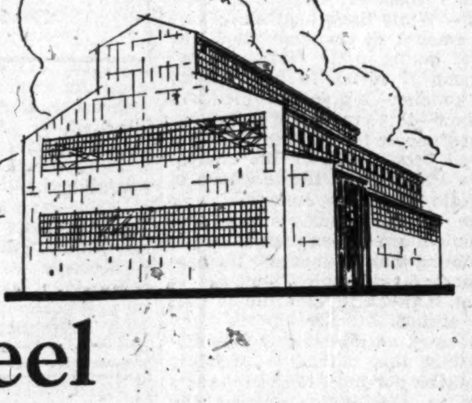
Plan for consolidation and amortization of tax arrears of Moose Jaw was recently submitted to Saskatchewan authorities by the city council. The scheme is devised to consolidate all arrears of two years or more, prior to Dec. 31, 1933.

Any taxpayer two or more years in arrears may come under the scheme. Arrears, with interest at five per cent, shall become payable: five per cent upon application of the taxpayer; 10 per cent on Dec. 1, 1935, 15 per cent on Dec. 1, 1936; 20 per cent on Dec. 1, 1937 and 1938, and 25 per cent on Dec. 1, 1939, all carrying five per cent interest.

The 1934 taxes are to be paid in full at the time the agreement with the taxpayer is made, or in installments before Dec. 31, and 1935 taxes are to be payable on the anniversary date of the agreement. The city has asked provincial authorities for permission to issue debentures against the proposed consolidation of arrears without sanction by the burgesses or the local Government board.

At Dec. 31, 1933, Moose Jaw had total tax arrears of $939,486, of which $433,084 was for 1933, in which year the total tax levy was $840,511.

"In the best interests of Canada" ...100% Canadian Steel

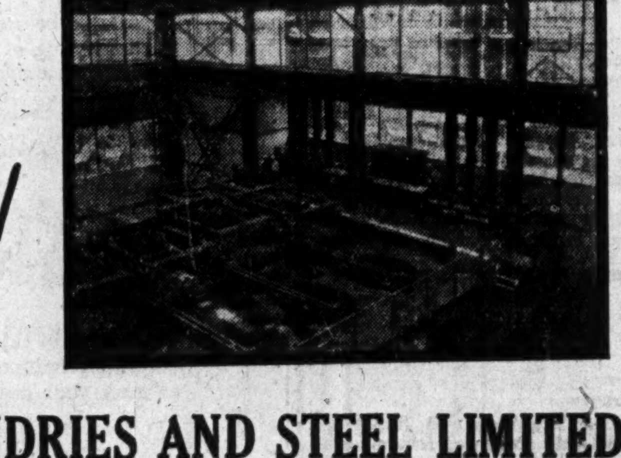


CANADIAN Steel creates work for Canadian men. That is why we practise what we preach by building our new mill building of all-Canadian Steel.

Why should Canada import rolled structural steel sections, when their use is proved unnecessary? Sections can be "built-up" of any size or shape with 100% Canadian Steel.

More work for Canadians! This is surely in the best interests of Canada as a whole, and thus of every individual. National emergency calls for consistent effort by every citizen. Here is a proven way to build Canada. Build for better times with Canadian Steel.

We Practise What we Preach!



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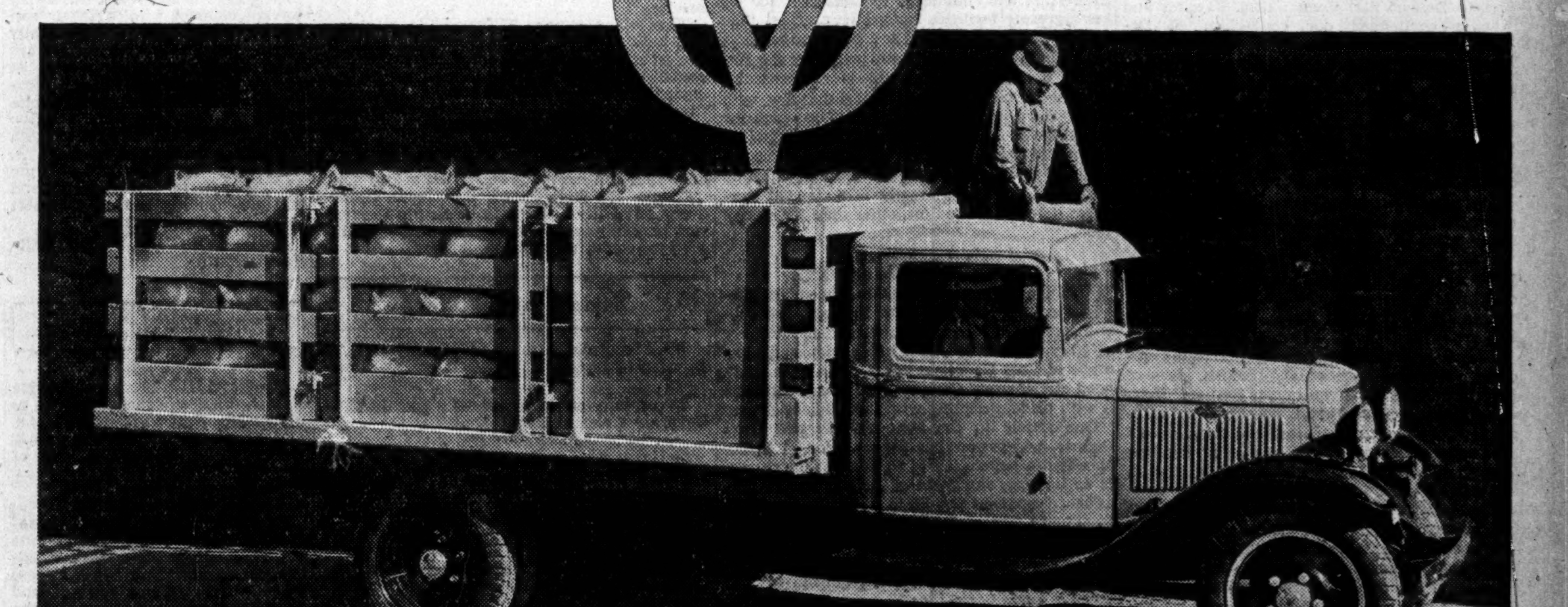
Hamilton Ontario
STEEL PLATE STEEL CASTINGS

THE NEW FORD V-8 TRUCK



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1 **Full-floating Rear Axle**
Axle shafts can be removed without jacking up the truck, providing utmost in service accessibility. Load carried on heavily reinforced axle housing, leaving axle shafts free to turn the wheels. Larger and sturdier ring gear and pinion. Driving pinion is straddle-mounted.

2 **V-8 Performance with Proved Economy**
80-horsepower V-8 engine with dual carburetor, valve seat inserts, polished cylinder walls, thermostatic manifold heat control, new, heavy-duty special copper-lead connecting-rod bearings.

3 **Real Truck-engine Cooling System**
Maintains efficient operating temperatures summer and winter. Water-jackets extend the full length of the cylinder walls and along upper part of the crankcase. 4½-gallon radiator.

4 **Truck-type Clutch and 4-speed Transmission**
Unusually large clutch plate area. Transmission has facilities for installing power take-off. All forward speeds and idler gears run on roller and ball bearings.

5 **Full Torque-tube Drive**
Torque tube and radius-rods transmit all driving and braking stresses. Springs have nothing to do but cushion the load against road shocks.

6 **Free-shackled Rear Springs**
Thanks to the torque-tube drive, the rear springs can be double-shackled at both ends, giving greater protection to the load.

7 **Deep, Rugged Frame**
Side members are 7 inches deep. Five heavy cross-members brace the frame against weaving. Frame made of special high-carbon steel.

8 **Large, Long-life Brakes**
More than 465 square inches of brake area. More than twice the area of trucks of similar price and rating. All inside brake mechanism cadmium plated, and brake rods bonderized to prevent rust.

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Price reductions of $15 to $20 were recently announced on Ford V-8 Trucks and Commercial Cars, making them more than ever Canada's Great Truck Values.

Ford Trucks meet 90% of all hauling and delivery requirements. Low-cost Engine Exchange Plan.
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TORONTO, JULY 7, 1934

WAR DEBTS BETTER UNPAID, UNOFFICIAL U. S. VIEW

WHATEVER Mr. Roosevelt's personal views on the matter of the war debts, practically all of his advisers would like to see them wiped out by a process resembling cancellation. This was the impression gained a year ago by a member of the staff of The Financial Post who interviewed the president's closest associates in Washington. It has been confirmed by guarded statements from Secretary of State Cordell Hull and other highly placed officials. And last week Lewis W. Douglas, director of the budget, told a meeting in Newark, N. J., that the default on the European war debts had proved an economic boon to the United States.

He said:

"If the foreign governments had paid their debts, it probably would have intensified the chaos in international currency, paralyzed further international trade, diminished our own profitable ability to produce and possibly increased the burden of the American taxpayer, rather than diminished it."

Eventually there may arise in the United States a political leader who will be able to convince Congress and the taxpayer that this is the case. Then war debts will be allowed to die a natural death, or at best be readjusted with some consideration not only for the ability of the European nations to pay but for the ability of the United States to receive.

When the American people discover that they must choose between collecting the war debts on the one hand, or cutting their tariff and loaning money abroad on the other, the problem will be nearer to solution.

In the meantime, it is significant that Mr. Douglas is so close to Roosevelt that it may be taken for granted that the president knew what he was going to say and approved of it.

LIBERTY IS THE ISSUE

MARK SULLIVAN, veteran Washington correspondent of the New York Herald Tribune, saw the present-day political issue clearly when he told the Rotary International Convention in Detroit that Communism, Fascism and Nazism challenged our conception of Democracy.

He outlined three characteristics of the new order in Russia, Italy and Germany.

First, the new forms of government embrace more than government in the old sense. The State, as Mussolini puts it, is to be "the sole and supreme interpreter of the needs of society."

The second characteristic of the new order is centralization of power, going as far as fairly to be called dictatorship.

A third characteristic is hostility to dissent. Minorities are rigidly repressed and freedom of opinion is likewise forbidden because the free expression of opinion turns minorities into majorities, and therefore, cannot be tolerated.

These three qualities run counter to the tradition of both American and British ideas of government. Mr. Sullivan quotes Bernard Shaw as saying "almost all British constitutional safeguards are safeguards against being governed." He quotes also Woodrow Wilson as saying "the history of liberty is the history of the limitation of governmental power."

The question before the world today is whether or not it should exchange individual liberty for something which those who propose the change describe as economic security. The question is not academic. The challenge of the European experiment is before us and has influenced governments in both United States and Canada. Already in the United States the government has a right to dictate to a farmer what he shall plant and already a tailor has been put in jail for pressing a suit at a price 5 cents less than the government decreed.

In Canada, proposals that we should take liberty away from the individual and confer more power upon the state are made daily by would-be leaders of opinion.

Mr. Sullivan is wise to throw out a warning as to what is involved in the new conception of the State that is going up in the world. He is wise to urge us to beware of our freedom.

NEWFOUNDLAND AS MARKET FOR CANADIAN GOODS

ALERT Canadian business men may well look to Newfoundland for an increasing volume of business and for wide industrial opportunity during the next few years.

No visitor to the Colony can help but be impressed by the fact that with the assurance of stable, efficient government, the future of this country is exceedingly bright.

For one thing, virtually all the wealth of Newfoundland is wealth that has only been possible of development within recent years, or which lends itself to development in the future. Thus, its waterpower, its newsprint, its base metals, its tourist possibilities, its immense potentialities in the field of aviation, its abundant supplies of cod which have but recently been found to possess the highest vitamin content of any fish procurable in the world, are all twentieth century assets.

The very fact that the astute British government has within the past week indicated its willingness to supply several millions of dollars for immediate development in the country, is in itself perhaps the highest tribute which could be paid to the future outlook of the Colony.

This money has been made available as a direct result of the visit of the Hon. Thomas Lodge, Commissioner for Public Utilities of Newfoundland, to Great Britain. Mr. Lodge, who is himself a successful business administrator, has devoted much time and effort, since his appointment, to the needs and possibilities of the Colony, and on the basis of his findings, has apparently had no difficulty in persuading the British Government that Newfoundland is a fertile field for British capital. In addition the new Commission-of-Government has also been successful in interesting private capital from Great Britain in specific enterprises and there is no question that what has been already done is but a forerunner of what will be done on a considerably larger scale in the near future.

In a business way, Canada has always been closely associated with Newfoundland. In normal years this Colony provides a steady market for $10,000,000 and $12,000,000 of Canadian products. Our purchases from the Colony are not large. This invariably gives a considerable balance of trade in our favor.

Then, too, for 40 years, Canadian banks have carried on the entire banking business of Newfoundland and are well established to aid trade and industrial relationships between the two countries. Furthermore, citizens of Newfoundland have always been on an exceedingly friendly basis with their Canadian neighbors and are very kindly disposed in every way toward Canadians.

These relations may easily be extended and developed to the mutual profit of each country, but with the official entry of Great Britain into the picture, it behooves Canadians to put their best foot forward if they are to retain and increase their present status.

Millions of dollars will be spent within the next decade by far-sighted business men, in the Newfoundland market, and competition for this market as a result of the new relationship with Great Britain, will be much keener than it has been in the past. Canada and Canadians will be foolish if they do not do their utmost to foster this very valuable connection.

PRIVACY IN BUSINESS

EXTRACT from Hansard, official report of the House of Commons, for June 25, 1934:

Mr. LAFLECHE:
1. What salary do the officials of the Canadian National Telegraphs receive?
2. What salary does each such official receive?
3. What sum is paid for the rental of each office?
4. What salary does each official of the Canadian National Express Company receive?

Mr. BENNETT: With respect to this question it may be difficult to obtain the information requested for a very considerable length of time. It involves the securing of information from sources over which the government has no immediate control.

Mr. SPEAKER: Question dropped.

That is of course the situation when a government owned enterprise is involved. But when a private company is before the special Committee on Price Spreads it is a different matter. Then the most intimate details of its business must be bared to the public.

FORD'S VIEWS ON WHEAT GET CORROBORATION

THE scientists at the National Research Laboratories have reported that if one-tenth of the annual consumption of motor fuel in Canada were replaced by alcohol made from wheat, some 25,000,000 bushels would be needed.

Preliminary estimates have it that the cost of motor fuel would be increased by approximately two or three cents a gallon if alcohol made from wheat were mixed with gasoline. But as alcohol is an anti-knock agent and might replace tetraethyl lead, the additional cost need not be as great on some types of fuel.

The researches that are being carried out are interesting and significant to Canadians for we have greater facilities for growing wheat than we have for producing oil as a basis for gasoline.

The bulletin that has been issued by the National Research Laboratories is of particular interest in view of the recent interview with Henry Ford in The Financial Post in which the great motor manufacturer suggested that we could not properly speak of a wheat surplus so long as we had made no genuine effort to find out what wheat really is and what purposes it could be used for, other than for human food.

GOOD OLD GREY COUNTY

THE Owen Sound Daily Sun Times has published a 68-page edition to mark the 80th anniversary of the institution of the County of Grey. It is a splendid publication and hundreds of Grey County residents, who have made good elsewhere in Canada and abroad, will read it with pride, mingling with their homesickness.

One article in the issue reveals that Grey County, which now has a population of 58,000, once had a population of 70,000. Yet the county is as large as the State of Delaware, and half as large again as the State of Connecticut. As machinery has replaced manual labor on the farms, the farm boys and girls have had to go to the city or elsewhere to seek opportunity. Many have gone into Western Canada to take up new land.

The issue is a credit to C. A. Fleming, president of the company which publishes the Sun Times, and to Howard Fleming, general manager.

WHAT THE BIG STORE DOES FOR ITS COMMUNITY

THE gentleman who signs himself "Callisthenes" and who writes a daily column for Selfridge & Co., in the London Times, has been discussing the subject of how a great store benefits the nation. His viewpoint is of particular interest to Canadians at this time, in view of the attack upon the large scale merchandising organizations. He points out that most of the attacks upon the big stores are based upon two misconceptions; one, that the buying power of the public is a fixed quantity, and the other, that any firm which sets out to increase among the public the desire to spend can keep to itself all the resulting benefits.

He contends, with a large measure of justice, that the big stores with their large-scale advertising, their aggressive buying methods, their interesting displays, their artistic lighting, etc., have greatly stimulated the spending of money and vitalizing the buying power of the people.

"A special benefit performed by the big stores for the country is that, as the very spearhead of distribution, it is they who bring the most powerful resources, the most consistent determination, the advertising, the fascinating displays, the great amount of expert thought and trained enterprise to the task of increasing in the public the will to spend, which is the dynamic part of buying power."

There is a large measure of truth in this contention, even in its application to Canada. The ethics and practices of the big stores are not perfect and they will have to find a way of improving those which are definitely anti-social in character. But they have, during the depression, performed a very genuine service to all Canadian business in helping to remove the fear complex from the Canadian people and in stimulating buying. In some form, from what they have done in this respect, every merchant, every manufacturer, every worker in the country has benefitted.

JUST PARTIALLY COMMUNIST

RUSSIA is not entirely Communist. The State spends only 65 per cent of the income of the nation. If it were truly Communist, the State would spend 100 per cent.

Canada is not entirely Communist either. In this country, governments spend only 35 per cent of the income of the nation.

The difference between Russia and Canada is that Russia has gone twice as far along the road to Communism as Canada has.

EDITORIAL NOTES

We may still live to see Sir Charles Saunders made the Marquis of Wheat.

* * *

Will Rogers feels sorry for Congressmen facing their constituents this fall. He says it is going to be tough thinking of something new to promise them. In Canada, two provincial premiers have gone into office on a promise of cutting expenditures and that would be a new idea for an American Congressman.

* * *

Just fifty years ago Canada issued £5,000,000 of 3½ per cent bonds in London. The average price obtained was just over 91. The wheel has made a complete revolution and Canada's recent loan in London was obtained at approximately the same figure, a little lower in fact.

* * *

In the Liberal landslide in Ontario the successful party had an actual popular majority of about 100,000 votes. And the Conservative government was thrown out of office and every Conservative candidate was defeated in Saskatchewan although the party polled more votes than in the previous election that it won. The two incidents are decidedly arguments for Proportional Representation. But it is another question to decide if this argument will convince the public that government by combinations of groups, as they have in France, and where it works out so unsatisfactorily, is to be preferred to the present two-party system.

Post-Scripts

THE engineering industry is now waking up to the importance of the psychological effects of color upon its employees. An example of this is the painting of new machinery at the Armstrong Siddeley car and aero engine factory in Coventry in a quiet soft shade of green instead of the usual black or grey.

Green was chosen because, being the middle color of the spectrum, it is most restful to the eye. Men working on a green machine would, it was argued, do better work.

Another reason for its choice was that it shows up oil leaks or dirtiness, which a darker color would tend to hide. The green machinery, therefore, encourages cleanliness, and with it efficiency.

* * *

THE C. C. F. will have only one candidate in the newly-constituted Ontario Parliament, but party organizers are well pleased with the results of the election.

The party polled some 95,000 votes at a gross outlay to the central organizing body of $80. However, campaign literature printed at the central office was sold to individual candidates at a small profit per thousand so that the party expects to have a net credit on its balance sheet (in addition to the one candidate and 95,000 votes) of about $40.

On this basis the Conservatives and the Liberals should be able to show a very handsome profit on the recent contest.

* * *

CREWE, where last year the famous "Royal Scot" engine was built, now claims the distinction of having built the fastest express engine in the London, Midland and Scottish service.

This is the express "Princess Royal" which was built at Crewe last year. During a record run from Liverpool to London the express covered 193½ miles in 3 hours 12 minutes. This included two stops, and was eight minutes quicker than the fastest schedule. The average speed maintained was thus 68 miles per hour, while speeds of 80 miles an hour or over were recorded at five different stages, and the maximum speed of 85 miles an hour was registered at one point.

Despite the high speed, the engine showed every reliability and the travelling in the train was perfectly comfortable. The train weighed 380 tons exclusive of the engine.

Sayings of the Week

"The speculator must always be right."—*Bernard N. Baruch.*

* * *

"Prosperity at all hazards is a poor ideal."—*Governor Cross of Connecticut.*

* * *

"If I had my life to live over again, I wouldn't."—*Clarence Darrow.*

* * *

"The promise of a revival of world trade has received a set-back."—*Walter Lippmann.*

* * *

"Like doctors and bakers, bankers vary in skill and character."—*Sir Edward Peacock.*

* * *

"The law of the jungle is not the law of civilization." — *Dean Christian Gauss, Princeton University.*

* * *

"In matters of political science there is no country that can teach Great Britain anything." —*Rt. Hon. Stanley Baldwin.*

* * *

"The motion picture industry is the most glaring example of what uncontrolled imagination can do."—*Rev. Dr. S. Parkes Cadman.*

* * *

"Unlike private enterprises, the nation has no earning power in itself, nor any means of creating wealth." — *Governor H. H. Lehman, New York.*

* * *

"We are on the wrong track when we get into the position where the Government borrows all the money and does all the lending."—*Rt. Hon. Arthur Meighen.*

* * *

"Slogans are both exciting and comforting, but they are also powerful opiates for the conscience." —*Dr. James B. Conant, President, Harvard University.*

* * *

"Peace among nations never will be achieved by phrases that soothe the spirit and mean nothing." — *Dr. A. Lawrence Lowell, President Emeritus, Harvard University.*

* * *

"To have proper social responsibility we must cultivate not a rugged individualism, but individual responsibility consecrated to work for the common good."—*Dr. Kenneth C. M. Sills, President, Bowdoin College.*

* * *

"Bank-baiting the world over is the popular sport, both amateur and professional. Canada is no exception, and being a young and healthy country naturally all sports are entered into with enthusiasm and vigor."—*Jackson Dodds, general manager of the Bank of Montreal.*

New Books

"ENTERPRISE, PURPOSE AND PROFIT," a series of essays on industry by Prof. D. H. Macgregor of the Department of Political Economy at Oxford. Published by Oxford University Press, Toronto, at $2.50.

In this volume, the author attempts a realistic examination of the case for large scale business and the case for monopoly. He reviews many experiments in the form of mergers and cartels during the past generation.

A number of highly technical economic principles are subjected to examination not without a trace of iconoclasm.

It is not a volume for the ordinary business reader, but is entirely a document for the research worker in economics.

"THE ROMANCE OF LABRADOR," by Sir Wilfred Grenfell. Published by the Macmillan Co. of Canada, Toronto. Price $4.75.

From a background of 40 years experience, Sir Wilfred Grenfell has once again put into print his vision of Labrador—past, present and future. Interesting and informative, it is by far the most ambitious volume yet attempted about this country of which so little is known and which is so often misinterpreted.

The book is divided into 14 chapters or "pageants" each one dealing with some phase of the life story of Labrador. Thus there is the pageant of the rocks in which the story is told of how the March of Time has left this country almost entirely without the usual covering or "veneer" which we call earth. Thus it is found that the greater part of Labrador surface is "basement complex" which is the very foundation of the whole continent of North America.

From there the story unravels and in the "pageant of the Indian" we find that these earliest inhabitants received the name "Nascopies," a term not intended to be complimentary and apparently meaning either "ignorant," "heathen" or "unworthy" It seems curious that the flagship of the Hudson's Bay Co. should therefore be called "Nascopie."

The Happy Eskimo

The pageant next moves on to the Eskimos, described as the world's best utilitarians in that they can live happily where no other men on earth can exist; have never had nervous prostration, and in their simple life are today probably the most contented people on earth. Sir Wilfred Grenfell suggests the legend "Me Very Laughing" could well be written on their national flag.

Small boys will be interested in his description of this race as belonging to the "Great Unwashed," and Grenfell's comment that "everyone familiar with them as a medical man will agree that it cannot be shown that their physical health suffers in any particular way on that account." A surprising statement is that at 1930, all the Eskimos remaining in the world total but 28,000. In Labrador but 900 remain today.

From the Eskimo the pageant moves on to the Vikings, then to the great discoverers Columbus, Cabot, Cortereal, Cartier, then to the French occupancy, finally to the rule of the Englishmen. From there the chronology digresses to describe the pageant of the seas, of the soil, of the animals, of the air and of the 40 years in which Grenfell has carried on his splendid work.

Has Great Future

The changed economic position of Labrador at the present time as compared with the days when Dr. Grenfell first began his famous mission is shown by a comment that 40 years ago Newfoundland offered Labrador to Canada for $9,000,000 and the offer was refused. "Recently," says Dr. Grenfell, "the Government of Newfoundland tried to sell Labrador to Canada for $110,000,000—a mere bagatelle for what it is worth, or to what will probably be asked for it 50 years hence." Labrador, thinks Dr. Grenfell should profit greatly by the union with "a large country which can afford, and does at the present exert such excellent supervision over the fisheries and other interests of the Côte du Nord."

Of the interior, "scrubbed bare of soil by the ice ages and burned over by the great fires," Dr. Grenfell says that it can only become a white man's country when the wealth of its minerals justify the expense of supplying its needs from the outside. That it has a great destiny in its future is instanced by the important part it will play, Dr. Grenfell believes, in the direct air-routes of the world; by its immense fisheries, by its timber wealth; by its furs and by its mineral potentialities.

At the moment, however, he believes its chief contribution is in the unique field for tourist traffic. "It is close to the United States and Canada, and only halfway to New York from London. It can be reached quickly, cheaply and safely as soon as the charts of the whole coast can be relied upon. Those are now finally being undertaken seriously."

In the Mail

Peterborough's Stores

Editor, The Financial Post,

My attention has been called to last week's edition of The Financial Post, which contains an article on Main Street, Peterborough, in which our firm is mentioned, as one of the "has beens," I beg to inform you that I, as senior partner, am still carrying on the business. Also, right across the street from us, are Stenson Brothers, who are still carrying on the business founded by their father in the days of personal hand made shoes when George A. Cox was mayor of the city, when Sir Joseph Flavelle worked in a flour and feed store here; when A. E. Ames was a clerk in the old Ontario Bank; and E. R. Wood was clerking in George A. Cox's offices.

Your contention as to the inroads of the chain stores, are correct. Also we have a large and increasing foreign element who, by their solidarity and thrift, are gradually forcing out the old-timers. You are right about the local interest of former merchants like James Stevenson giving the organ to Charlotte Street Church, William Cluxton furnishing the Choral Society with the music to practice and W. A. Sanderson bringing out a Drum Major's uniform for the local band and also lending generous support to the local lacrosse team.

GEORGE F. SCHNEIDER.
Peterborough
June 27, 1934.

Other People's Views

Too Costly

The Economist: It is an old saying that the English courts are open to all comers. But so is the Ritz Hotel. One of the most unfair features of British justice is the high cost of appeals.

Quite Another Matter

Review of Reviews News Letter—On his return from Hawaii the president will make additional addresses on the New Deal. These will be entirely non-partisan and have no relation whatsoever to the election which it seems will take place in November. The precise sequence of speeches and voting is one of those inadvertent and unavoidable coincidences which are open to misconstruction by the suspicious.

Germany in Darkness

Editor and Publisher, New York—We read a two-column speech by Franz von Papen, cabled from Berlin and published in every city of this country. In this address the vice-chancellor denounces certain features of the Nazi regime. He especially criticizes the Hitler gagged press. Suddenly we awake to the fact that not one word of this vital message is being published in Germany. Can you imagine living in such darkness? Nazism is breaking up according to independent reporters, and it is little wonder, since the rank and file of German people must continue to have a decent regard for progress through common intelligence.

"Brains" in Government

The Financial Chronicle, New York—"While there has been a certain amount of comment about the use of brains in the National Government, it seems to be a pretty good practice—a practice which will continue—this practice of calling on trained people for tasks that require trained people."—From the address of the President at the luncheon of the Yale alumni on June 20.

The natural assumption is that appointees are chosen upon the basis of training that fits them for the particular tasks at which they are to be set. Otherwise the rule is patently absurd.

However, an almost complete disregard of this maxim is probably responsible for most of the blunders made in Washington during the past year. Trained men, so far as they have been called to influential positions in the government, have for the most part been assigned to tasks for which their training and experience in no way qualified them.

It is self-evident, for example, that a professor of farm management is not an authority on the subject of money and prices. Training in the management of parks and playgrounds hardly fits one for the varied and arduous duties now imposed upon the Secretary of the Treasury.

The president needs now, as perhaps a chief executive has never before needed, the most expert advice that the country can afford. It is on call for him at all times. He need only enlist "trained people"—but trained in those subjects about which their counsel is sought.

"Stop Me If You Have Heard This One"

Joe Simpson, a gentleman of color, got a job on a railroad construction gang. The first day the boss seemed to pile all the hardest work on Joe. He carried heavy timbers and rails all day. That evening, tired out, he approached the boss.

"Boss, is you sho' you got my name on de pay-roll?"

"Sure, Joe Simpson. S-i-m-p-s-o-n. Right?"

"Dat's right. I thought sho' you had me down as Samson."

Hit By Exchange Trust & Loan Co. Has Small Loss

A net loss of £3,500 was reported by the Trust & Loan Co. of Canada at the annual meeting in London, Eng., which was an improvement over the previous year's operation by over £4,000. Interest on debentures showed a decrease of £5,667 as compared with last year, due in part to a decrease in debentures outstanding and in part to the fact that the company had reduced the rates given for renewals and new money. Interest in Canada at £112,131 was increased by £6,227; losses on operating land investments at £10,934 were increased by £902; profits on operating land investments at £7,375 showed an increase of £4,997.

The accounts which related to 536 farm and 77 other properties showed a decrease of almost a million dollars in mortgages and an increase of practically the same amount in land investments. A much more favorable revenue for the year was spoiled by exchange, a loss of £1,440 being reported for the year compared with a profit on the same item of £35,740 in the previous year.

Signs of farm improvement, it was reported, had so far materialized only in Eastern Canada but the hope was expressed that recent legislation by the Canadian Government would enable Western farmers to meet their obligations and make a fresh start.

"An Excellent Feature"

The Renfrew Mercury

The Financial Post of Toronto secured an interview with Henry Ford, and the world's richest man talked freely and in an informative, interesting way, making the interview well worth while. The Financial Post carries many an excellent feature, but none of them can be said to have excelled this one. Among Mr. Ford's gems of thought was this, "The way to end war is to take the profit out of it," by which he meant profit to companies and individuals, for there is never a war without companies and individuals growing rich through contracts secured. No nation grows rich through "the arbitrament of the sword," since both victor and vanquished lose a very great deal both in men and money.

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The Week in Business

Business Outlook Bright

WITH the last important retardative influence to continued expansion of Canadian trade largely removed by the generous rainfalls of the past month throughout the Prairies, the outlook for continued business expansion during the latter half of the year is considerably improved. The gain in employment at June 1 showed greater activity in most manufacturing lines, this trend being confirmed by a record monthly output of electric power.

The Dominion Bureau of Statistics index of the physical volume of business is at its highest point since June, 1931, and this standing is confirmed by other like indices. While the trend at June, 1931, was downward, however, the current trend continues upward with nothing in view to stop the ascent.

* * *

Western Outlook Better

IMPROVED crop prospects are already being felt by wholesalers, the Prairies retail trade having increased orders for autumn delivery, according to the Canadian Credit Men's Association, Winnipeg. Collection of old accounts is still stated to be almost impossible throughout the Prairies, but current purchases are being promptly taken care of.

* * *

Tariff Board Powers

RULING of the Supreme Court that decisions of the Tariff Board on matter of law are ultra vires has given rise to the erroneous opinion among certain sections of the public and the press that the Ottawa Agreements of 1932 have been impaired, according to a bulletin of the Canadian Importers Association. Operation of the board under part 2 of the Tariff Board Act has no connection with the Ottawa Agreements, the bulletin states. Under part 2 of the Tariff Board Act, the board was substituted for the old Board of Customs which was a board composed of certain officials of the Department of National Revenue who heard appeals against departmental rulings. This phase of the operation of the Tariff Board has not been changed by the Supreme Court ruling, it is stated.

Usefulness of the board is reduced by about 75 per cent by the decision, the Importers' Association thinks, its status being reduced to that of a fact finding body under the Department of National Revenue. It has been shorn of its supposed powers of adjudication on matters in dispute between the Department of National Revenue and the importer. The result of this is, it is stated, that when a point of law is in dispute—and in almost every case a question of interpretation of the law is the crux of the dispute—the importer must either accept the ruling of the department or obtain a fiat and take the matter to the Exchequer Court. This latter alternative is, of course, usually impossible owing to cost.

* * *

Trade Expansion

COUNTRIES with a favorable balance of trade have their hands free when it comes to increasing their purchases abroad and the responsibility for leading the way out of the world crisis lies with them, in the opinion of Dr. Otto Christian Fischer, head of the banking and credit section of the newly created corporative organization set up to embrace the whole of industry trade and commerce in Germany. Dr. Fischer would not blame countries with unfavorable balances for restricting outside purchases to necessities although he acknowledges that they contribute to the restriction of trade. Given a lead by those with a favorable balance he thinks that those without would soon be in a position to expand their foreign purchases.

Countries in which internal economic conditions are at such a low ebb that their participation in international trade is impossible under present conditions should then be dealt with, Dr. Fischer believes. A system of long-term credits appears to be the only solution, although Dr. Fischer points out that in many respects this would involve a change in international political mentality.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Cadomin Coal Co., Cadomin, Alta., is erecting a $55,000 air cleaning plant in order to be in a position to supply a low content ash coal for industrial purposes, according to the Edmonton Journal.

Canadian Industries explosive plant at East Selkirk, Man., has been started. Complete erection will cost about $250,000.

Star Kosher Sausage Co. will erect a plant in Winnipeg at a cost of $10,000, the Winnipeg Free Press reports.

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Business Conditions in Canada

BUILDING AWARDS DECLINE SLIGHTLY FROM MAY HIGH

June Total Shows Reduced Relief Expenditure, However

Construction contracts awarded in June failed to keep pace with the improvement over 1933 shown in the previous months of the year, but they were, nevertheless, 51 per cent ahead of the total for June, 1933, according to figures compiled by MacLean Building Reports, Toronto. The total of $12,208,900 for the month compares unfavorably with the $17,383,100 recorded in May, particularly in view of the fact that the long-term seasonal trend is slightly upward.

The showing in June is seen in a more favorable light, however, when it is realized that a larger proportion of the total for the month is composed of private and business building and is not loaded with as large amounts for relief work as has been the case in earlier months this year. For example, approximately $6,500,000 of the May total was accounted for by road construction, wholly or partly subsidized, while in June the figure was less than $4,000,000.

Large Awards

Letting of a contract for the construction of a hospital in Toronto at an estimated cost of $600,000 provided the largest award in June. Other large contracts included the following: university residence at St. Joseph, N.B., $275,000; administration building at Trenton, Ont., $250,000; addition to plant at Leamington, Ont., $180,000; and ten residences at Toronto, $100,000.

Contracts Awarded by Types

	June, 1934 $	May, 1934 $
Residential	4,051,600	4,131,000
Business	3,272,200	4,801,400
Industrial	548,600	1,586,500
Engineering	4,336,500	6,864,200
	12,208,900	17,383,100

Contracts awarded during the first half of the year amount to $60,916,700, being an increase of 85.1 per cent over the $32,912,300 recorded for the corresponding period of 1933. During the latter half of 1933, however, contracts awarded were valued at over $65,000,000.

Ontario Leads

Greatest activity this year is in Ontario, contracts for the year to date amounting to $37,420,900, or 61 per cent of the Dominion total. This is more than treble the volume recorded in 1933, when the total was $11,187,100. Quebec comes next with $14,687,900 for the six months, as compared with $11,778,200 in the same period of 1933. Only Prince Edward Island, Saskatchewan and British Columbia show declines as compared with 1933.

Outlook for the latter half of the year is brightened by the assurance of heavy expenditures for relief work, which will be started in the late summer and autumn. In addition, mortgage and trust companies report more funds available for building loans while a reduction of interest rates is now well under way.

Awards by Months

Contracts awarded during the past eighteen months are shown in the following table:

Construction Contracts Awarded in Canada (Compiled by MacLean Building Reports)

	1934 $	1933 $
January	6,702,900	3,362,000
February	5,635,100	3,149,000
March	7,517,500	3,192,000
April	11,469,200	8,609,000
May	17,383,100	6,514,000
June	12,208,900	8,086,000
July	....	12,652,000
August	....	9,480,000
September	....	8,387,000
October	....	15,014,000
November	....	10,637,000
December	....	8,208,000
	....	97,290,000

N. S. Lobsters in Demand

The lobster fisheries of Nova Scotia are doing very well this year, with prices ranging from 75 to 100 per cent higher than last year and a strong demand from the United Kingdom, according to the Federal Department of Fisheries.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.25	$6.75	$6.00
Copper, lb.	.09	.09	.08
Cotton, lb.	.1245	.1215	.1030
Rubber, lb.	.1406	.1338	.0650
Sugar, raw, lb.	.0318	.0315	.0330
Silk, lb.	1.25	1.22½	2.30
Wheat (Man.) bu.	.76⅝	.77¼	.72¼
Hides, lb.	.10	.10½	.12¾
Coffee, lb.	.09½	.10⅜	.07⅞

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	114.7	115.1	98.0
Fishers'	78.0	78.0	†63.6
N. Y. Journal of Comm.	75.9	76.7	65.7
Crumps (Brit.)	64.5	64.5	†62.4
U. S. Labor	75.0	74.6	65.1
Canada (D.B.S.)	71.9	72.0	....

† Average 1933.

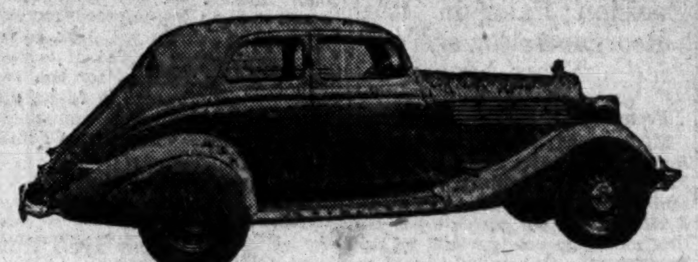
Monthly Indices

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
Retail (May)	78.7	79.6	77.0
W'sale (May)	71.1	71.1	66.7
U. S. Labor (May)	73.7	73.3	62.7
Gt. Brit. (Apr.)	69.4	70.0	65.6

Note: Indices on all base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio, No. 7, spot, New York.

All Studebaker Lines Become "Land Cruisers"



In addition to changing body design on all models to conform with the 1934 Pierce-Arrow, Studebaker has extended power brakes to its lower priced cars in a mid-season change. The Land Cruiser is stated to be a direct adaptation of the genuine tear-drop design.

OTTAWA ALTERS INCOME TAX ACT TO PLUG LEAKS

Hope to Stop Untaxed Distributions of Dividends

Legislation has been passed by Parliament to close various loopholes in the Income War Tax Act. The amending bill has passed both House and Senate.

While most of the changes are minor, there are several of considerable importance to corporations and to investors. A summary of certain of these follows:

One change gets around the former exemption of non-resident parent companies from paying the five per cent tax on interest received from Canadian subsidiaries. At present interest paid by a Canadian subsidiary company to a non-resident parent company is allowed as an expense. The five per cent tax on such interest, if payable only in Canadian funds, has been avoided by certain non-resident companies by arranging for the interest to be paid in currencies other than Canadian. Now, the interest will be taxable irrespective of the currency medium.

Tax Non-residents

Taxation is provided for non-resident beneficiaries on income received from Canadian estates or trusts.

Taxes imposed on dividends paid to a non-resident company by a subsidiary Canadian company will no longer apply, provided that not more than one-quarter of the gross income of the Canadian subsidiary is derived from interest and dividends. This amendment will exempt from the five per cent tax dividends paid by Canadian commercial companies whose shares are wholly owned by the non-resident parent company.

Another amendment provides that where a corporation redeems its shares at a premium out of undistributed income the premium is to be deemed a dividend taxable as income.

Stop Tax Evasion

In order to get around avoidance of income tax by distribution of assets, a new amendment provides that upon winding up, discontinuance or reorganization of any incorporated company, distribution of the property in any form shall be deemed as a taxable dividend to the extent that the company has undistributed income on hand. Chief reason for this change is the revelation of the untaxed distributions to Walter M. Stewart by the former MacDonald Tobacco Co., in the course of the investigations of the Stevens committee on mass buying at Ottawa.

Transfers of property to minors of 18 years of age or less shall be taxable as income of the transferor. This change is made because it has been found that many taxpayers are transferring securities to children of even a very few months of age. After the child is over 18 years of age, the government may approve of such a child being taxed in place of the transferor.

Quebec Maple Sugar

The average yield of maple sap per 100 tapped trees in Quebec Province is estimated at 82 pounds by the statistical division of the Department of Agriculture. A quarter of this production went into sugar and the rest into syrup, the combined value being $1,911,000.

UNEMPLOYMENT AT LOWEST POINT SINCE DEC., 1931

Employment Records 5 Per Cent Gain Over May

There were more persons employed at June 1 than at any date since December 1, 1931, according to the indices of the Dominion Bureau of Statistics, employment being five per cent higher than at the beginning of the previous month. This increase is exactly equal to the seasonal trend with the result that no change was recorded in the seasonally adjusted index. The crude index was 96.6 compared with 92.0 at May 1, the adjusted index being 94.2 at both dates.

Manufacturing industries were the largest contributors to this advance, the increase in some individual lines being exceedingly large. For example, an increase of over ten per cent was recorded in the lumber, clay, glass and stone, shipbuilding and animal products industries. Employment in the construction and maintenance industry was also considerably greater than at the beginning of the previous month, the index of persons employed in highway construction being at the highest point for June 1 in the twenty year history of the index.

All Provinces Benefit

Improvement was indicated in all of the five economic areas, firms in Ontario employing the greatest number of extra workers. Transportation, construction and manufacturing recorded increases in Quebec, while all activities reported increased payrolls in Ontario.

Easing off in automobile production resulted in reduced employment in Windsor and adjacent Border Cities, but employment was greater in the other seven cities for which individual reports are compiled. Summary of employment conditions in those eight cities and in the Maritimes, in which none is located, follow:

Maritimes — Slight gains noted, smaller than last year. Lumber, iron and steel and pulp and paper employed more workers as did construction.

Summary by Cities

Montreal — Manufacturing, especially food, mineral and iron and steel products, reported increases, and construction and transportation were also busier.

Quebec — Manufacturing, construction and trade accounted for increases, although advances were not so large as a year ago. Total employment was greater, however.

Toronto — Manufacturing as a whole was brisker; there were losses in textile factories, but large gains in food, printing and publishing and other industries.

Ottawa — Manufacturing showed heightened activity, particularly in lumber and pulp and paper mills.

Hamilton — Textile, clay, glass and stone, and iron and steel plants added to staffs and accounted for a substantial increase in total employment.

Windsor — Losses took place in automobile factories, while other groups reported little change.

Winnipeg — Manufacturing and construction accounted for the gain with other industries reporting little change.

Vancouver — Food and iron and steel factories reported more activity, while more persons were employed in services.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly Latest 1934	1933	Cumulative Total Jan. 1 to date 1934	1933
Transportation—				
Car loadings (June 23)	▲44,436	39,827	1,047,808	865,391
C.P.R. gross earn. (June 21)	$ 2,143,000	$ 2,531,000	$ 53,706,000	$ 47,271,000
C.N.R. gross earn. (June 21)	$ 3,246,631	$ 3,217,050	$ 75,014,260	$ 62,859,492
Business Conditions—				
Weekly index D.B.S. (June 23)	▲93.9	84.7	......	......
	Monthly			
Business Conditions—				
Financial Post index (May)	95.9	73.5	....	....
Transportation—				
C.P.R. net earnings (May)	$ ▲1,801,927	$ 975,609	$ 6,296,832	$ 2,811,753
C.N.R. net revenue (May)	$ ▲1,819,036	$ 193,206	$ 3,390,248	$ ‡3,964,877
Iron and Steel (May)—				
Pig iron production (tons)	38,189	....	120,521	35,353
Steel ingot prod., (tons)	71,437	23,126	333,509	98,862
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (May)	▲11,720	6,693	35,401	19,717
Factory output (May)	16,504	8,024	56,274	26,854
Trucks and Buses:				
Domestic sales* (May)	▲1,839	846	4,966	2,224
Factory output (May)	3,657	1,372	11,905	4,085
Exports (May)	4,973	2,229	20,810	6,891
Construction—				
Building permits (May)	$ 2,942,096	$ 2,065,372	$ 7,852,733	$ 6,726,695
Contracts awarded (June)	$ ▲12,208,900	$ 8,086,200	$ 60,916,700	$ 32,912,300
Newsprint (tons)—				
Production (May)	242,539	177,776	1,031,996	723,068
Exports (May)	222,070	168,718	938,276	655,086
Sugar (lbs.)—				
Melting & shipments§	▲90,494,545	93,413,740	239,210,876	279,273,651
Manufactured§	▲84,064,288	89,254,010	232,863,257	279,958,566
Flour (bbls.)—				
Production (April)	1,088,785	1,013,486	4,297,761	3,722,279
Wheat flour exports (May)	481,725	565,080	2,092,547	2,020,155
Trade (May)—				
Imports	$ 52,886,861	$ 32,926,630	$ 201,306,325	$ 134,274,794
Exports	$ 57,899,511	$ 45,576,337	$ 232,322,257	$ 160,708,378
Wheat exports (bush.) (May)	19,023,770	21,464,848	46,296,107	66,369,905
Employment (June 1) D.B.S. Index—				
All industries	▲96.6	80.7	......	......
Manufacturing	▲93.2	80.0	......	......
Electric Power Output (May)—				
Total monthly (000's omitted)	1,829,681	1,349,942	8,663,184	6,714,048
Aver. daily	59,022,000	43,547,000	......	......
Other Industrial Indices—				
Lumbering: (May)—				
Plank & board exports, mill ft.	112,777	75,690	503,925	247,708
Boot & shoe prod., pr. (Apr.)	1,645,894	1,442,020	5,682,619	5,103,681
Crude petrol. imp., gal. (May)	98,900,000	83,981,157	313,410,044	242,145,778
Cotton imports, lbs. (May)	15,987,000	8,111,000	59,208,000	33,326,000
Raw rubber imp., lbs. (May)	4,968,000	3,817,398	26,033,297	12,851,447
Coal imports, tons (May)	1,560,577	938,835	3,731,916	2,810,666
Finance—				
Failures: (D.B.S. figures)—				
Number (Apr.)	141	184	574	806
Liabilities (Apr.)	$ 2,009,381	$ 3,022,466	$ 9,438,703	$ 14,041,597
Band debits† (May)	$ ▲3,128,964	$ 2,649,625	$ 12,840,587	$ 10,212,854
Bond sales (May)	$ 75,156,737	$ 3,642,849	$ 180,688,325	$ 38,574,725
Life insurance sales (May)	$ 33,184,000	$ 32,938,000	$ 156,864,000	$ 156,540,000
Automobile Financing—				
Used cars (April)	$ 1,388,735	$ 998,769	$ 3,259,302	$ 3,037,099
New cars (April)	$ 2,101,501	$ 1,065,995	$ 4,302,846	$ 2,974,196

*Comprising over 90 per cent of total Canadian sales. †000's omitted. ‡Deficit. §For 4 weeks to June 16.

LOCAL INDUSTRIES RECORD EXPANSION IN SOUTH ALBERTA

Good Sugar Beet Crop Boosts Purchasing Power

From Our Own Correspondent

LETHBRIDGE.—Beet sugar sales are showing a 10 to 15 per cent increase as a result of the cut in the excise tax on sugar, according to officials of the Canadian Sugar Factories, Ltd., and a steady movement of sugar is anticipated for the next month or six weeks in view of the preserving season. More canning will be done locally this year than last, cheaper sugar and more plentiful and cheaper fruit being responsible.

One of Southern Alberta's big cash crops now is the sugar beet. The beneficial rains helped the beets greatly and a good normal stand is reported with little acreage lost by pests or wind. Thinning is 80 per cent completed, greatly in advance of last season. Around 14,000 acres of beets will be harvested and delivered to the factory at Raymond.

Plant Expansion

There is an interesting industrial development going on right now in Southern Alberta, one that promises to spread. The establishment of small local industries is receiving definite attention. Taber, centre of the Taber Barnwell irrigation tract, leading the way. This district has under way now a vegetable canning factory with B. C. interests co-operating with the farmers. It will be ready to operate this fall. Taber also has under construction a grist mill.

In the United Irrigation District in southwestern Alberta, a project now administered by the provincial Government with H. A. Kidney as official trustee, plans the development of local industries to absorb the products of the farms. Mr. Kidney will also insist on the Direct Relief Farm, that is, making every farm family self-sustaining with a family garden, cows, chickens, hogs, etc. Aid to bona fide settlers will be given for the purchase of tools, necessary stock, etc. and with the opening up of nearby markets for what the farmers raise it is hoped that the project will make this tract a model mixed farm community.

Digest of Parliament

OTTAWA, June 25, Commons:—Report of special committee on radio, recommending continuance of existing set up for one year, presented. Amendment to Loan Companies Act introduced by Mr. Bennett. Commons concurred in Senate amendments to the revised Bank Act. Bank of Canada bill reported from committee for third reading. Dominion Notes Act amendment also reported for third reading. Income War Tax Act and Foreign Insurance Companies Act passed.

Committees:—Both in the Commons and the Senate the committee work was virtually completed in the preceding week and no sessions of interest were held.

June 26, Commons:—Dominion Notes Act passed. Public works legislation debated on second reading.

Senate:—Public Accounts committee report, urging continued enquiry next session, approved. Third reading given to Meat and Canned Foods bill and amendments to Food and Drug Act. Income War Tax Act given first reading. Second reading given to Finance Repeal bill and Dominion Notes Act.

June 27, Commons:—Amendments to Customs Act introduced and given first and second readings. Bank of Canada Act reported for third reading and debated at length.

Senate:—Third reading given to Canadian Farm Loan bill, Finance Act Repeal bill, Dominion Notes Act and Farmers' Creditors Arrangement bill. Income War Tax Act given second reading.

June 28, Commons:—Commons disagreed with Senate amendments to the Marketing bill and the Excise Act amendments. Senate waives amendments to former and insists upon latter. Conference between the two Houses effects compromise. Bank of Canada Act passed. Amendment to Loan Companies Act given second reading. Public works legislation given second reading.

Senate:—Bank of Canada Act given first and second readings.

June 29, Commons:—Radio committee and Price Spreads report concurred in. Amendment to Loan Companies Act passed.

Senate: — Income War Tax Act amendment passed.

June 30, Commons:—Amendment to Radio Act continuing life of appointments to commission until March 31, 1935, passed. Third reading given following bills: Amendments to Customs Act, Customs Tariff Act, Pension Act, Canadian and British Insurance Companies Act, Representation Act, Dominion Elections Act, Criminal Code and Public Works Construction Act. Plans to prorogue fail due to inability of government to obtain approval for few items in estimates, notably for penitentiaries.

Senate.—Following bills passed: Bank of Canada bill, Loan Companies bill, Radio Act amendment, Pension Act amendment, Small Loan Company bill, Dominion Franchise Act, Dominion Election Act, Public Works Construction bill, Criminal Code amendment.

EXPORTS TO U.S.A. OF FARM PRODUCE MAKE GOOD GAIN

Heavy Exports of Rye and Bran Are Recorded

While chief attention during the past year has been paid to the Dominion's increasing exports of farm products to the United Kingdom, a substantial increase in the exports of farm products to United States has also been taking place. During the eleven months ended May 31, 1934, for example, exports to the United States of farm produce or commodities manufactured directly from such produce were valued at $8,361,126, as compared with $3,377,127 during the corresponding period ended May 31, 1933.

Compared with the totals recorded before the greatly increased tariffs of 1930 and 1933, of course, the 1934 figure seems small. In the same period of 1930, for example, exports of farm produce were valued at over $44,000,000, while in 1921 the total was $171,000,000.

Small Group Leads

A comparatively small group of products, including rye, bran, shorts and middlings, potatoes, turnips and wool, is responsible for the bulk of the increase which has taken place as compared with 1933. Export of these products are shown in the following table:

Exports of Farm Produce to U.S.A.

		Eleven Months ended May 1934	1933	1921
Rye	bu.	2,545,771	....	481,805
	$	1,405,538	....	835,314
Bran, etc.	cwt.	1,515,636	592,262	960,168
	$	1,233,970	348,245	1,506,310
Potatoes	bu.	2,030,932	323,783	2,494,255
	$	1,474,974	137,951	1,970,128
Turnips	bu.	1,850,510	1,884,951	1,733,393
	$	635,371	331,716	4,255,932
Wool	lb.	7,523,646	489,560	1,738,818
	$	1,309,985	52,577	2,224,454

Better Than in 1930

Not only is there an increase in the export of these products compared with 1933 but the totals for rye, bran, shorts and middlings and turnips are greater than in either 1930 or 1921.

Canada Obtained Only 6 Per Cent U. K. Bacon Trade

Canada obtained slightly less than 6 per cent of the total market for British bacon in 1933.

Total import of bacon (exclusive of hams) in 1933 into the United Kingdom amounted to just over 9,000,000 long cwts. Of this, Denmark annexed the major portion with approximately 61 per cent; Netherlands next with slightly less than 10 per cent and Poland third with just under 9 per cent. Canada ranked fourth with 5.57 per cent. The 1933 volume was reduced through the application of quotas, to approximately 17.6 per cent of the 11,406,000 cwts. imported in that year.

A detailed analysis of sources of bacon supply from abroad in 1932 and 1933, with the percentage total in the latter year, follow:

Britain's Sources of Bacon Supply

	1933 L. cwts.	1932 L. cwts.	% of 1933 Total
Irish Free State	204,303	199,530	2.24
Canada	506,113	182,683	5.57
Australia	93	614	...
Other Empire	71	1,341	...
Total, Empire	710,580	384,168	7.82
Denmark	5,524,497	7,672,030	60.81
Poland	783,758	1,142,524	8.63
Netherlands	871,950	971,567	9.60
Sweden	402,634	430,024	4.43
Lithuania	415,526	515,012	4.57
Estonia	62,978	81,397	0.69
Latvia	46,248	19,375	0.51
Soviet Union	45,516	43,042	0.50
Finland	50,776	38,236	0.56
Germany	26,591	1,588	0.29
Norway	25,985	....	0.29
Hungary	1,970	....	0.02
Belgium	5,501	....	0.06
U. S. A.	62,931	63,318	0.69
Argentine	42,580	39,219	0.47
Brazil	3,390	....	0.04
Other foreign	1,522	4,208	0.02
Total, foreign	8,374,353	11,021,764	92.18
Total, all countries	9,084,933	11,405,932	100.00

Business Briefs

Raw Rubber Imports in May were 4,967,810 lb., as compared with 5,418,000 lb. in April and 3,817,400 lb. in May a year ago.

Exports of Lumber in May totalled 112,777 m feet as compared with 60,369 m feet in April and 75,694 m feet in May, 1933.

Bank Debits in May amounted to $3,129,000,000 as compared with $2,650,000,000 in May, 1933.

Hamilton Carhartt Manufacturer, Toronto, announces that a committee of creditors has been placed in charge of the business. Privilege of settlement at 70 cents on the dollar before Sept. 15 is given.

Standard Fuel Declares First Common Dividend

Standard Fuel Co., Ltd., has declared an interim dividend of 50 cents per share on the common stock payable July 1 to shareholders on record of June 26. This is the first dividend to be declared on the common stock.

While no definite figures will be available until the annual meeting July 10, it is understood that the unusually severe winter resulted in very favorable earnings.

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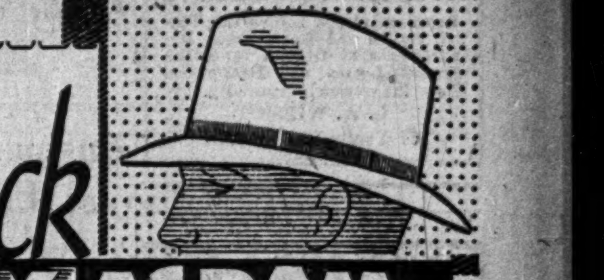
Where weight saving is an important item, we offer the services of an engineering staff who have had ten years experience in the designing and manufacture of airplanes.

Their experience covers every modern alloy which has been produced with weight reduction in view. If you are interested in tanks, truck bodies, structural members, skips, etc., write us. We can be of service.

CANADIAN VICKERS LIMITED

MONTREAL, P.Q.

VANCOUVER EDMONTON DRUMHELLER WINNIPEG TORONTO NEW GLASGOW, N.S.



Brock STYLAGRAM

F-L-A-S-H 6-7-34

RE BROCK RAMBLER STOP JAUNTY SUMMER STYLINGS IN NEW HANDKERCHIEF FELT STOP JUST TWO OUNCES LIGHT COOL FELT FOR BUSINESS OR SPORT

— — WOLTHAUSEN — BROCKVILLE

Maritime Firm Celebrates Hundredth Anniversary

Last month T. McAvity & Sons, Saint John, N.B., celebrated the one hundredth anniversary of its founding. During all this time there have been only four presidents, representing three generations, Thomas McAvity, the founder, his son of the same name, another son, George, and the present incumbent G. Clifford McAvity, a son of George.

Although the firm is well known throughout Canada as a manufacturer of valves, pipe fittings and marine accessories, it is not until 1863 that this phase of the business was first started. Prior to that year, the concern was a wholesale drygoods house, importing direct from the United Kingdom.

With the rise of the shipbuilding industry in Saint John, the firm branched out into the foundry business to supply the needs of the builders and it has gradually expanded along these lines since that time.

Phoenix Elevator Co. Postpones Bond Interest

At a recent meeting of the bondholders committee of the Phoenix Elevator Co. in Winnipeg it was decided to permit a further delay in making interest payments on the six per cent first mortgage sinking fund bonds, series A of which $425,000 were issued in 1929. Due to failure to meet the interest on these bonds in 1930 the company was re-organized and bond interest payments have been postponed from time to time in the hope that conditions would improve.

FOR OFFICES IN THE DOMINION BANK BUILDING

King and Yonge Streets

SEE

HUGH A. GUNN

66 Yonge St. — ELgin 7321

SILVERWOOD'S DAIRIES LIMITED

London, Ont., June 25th, 1934.

TO THE SHAREHOLDERS:

The Annual Report of the Company for the year ending March 31st, 1934, is herewith submitted. With this report you will find Consolidated Balance Sheet showing Assets and Liabilities, Trading and Profit and Loss Statement and Surplus Account. You were reminded last year that all of the Silverwood Operating Companies located throughout Ontario had become part of the consolidation.

No major changes or investments have been made throughout the year—two of our smaller companies were disposed of and another company much more important in character was added to our chain, leaving a total number of twenty-seven subsidiaries at March 31st, 1934.

Listed among our Current Liabilities you will find an item—"Commitment for Construction Contracts $32,400.00." This money is being expended in the City of London on a new power plant, well, etc. We have recognized this as a necessity for several years, but have hesitated to create the expenditure. This new installation will greatly increase the efficiency of this unit plant, more particularly as it relates to an important end of our industry, Evaporated Milk, and at the same time through supplying our plant with water, the reduced cost of steam production should save in our operations several thousand dollars a year—much more than sufficient to cover the interest and other charges represented in the investment.

Reserve for Depreciation—Our plant and equipment have been maintained in splendid shape and we are continuing to build up a consistent Reserve for Depreciation, which now represents close to 40% of our Fixed Assets, exclusive of land.

Earnings—Last year your attention was drawn to the causes for the sharp shrinkage in earnings. We believe we have maintained our full unit volume of business and our comparative figures submitted below show that we have increased our sales nearly 10%, with practically no increase in expense. In other words, the reduction in the spread between cost and selling prices is due to the increased cost of raw materials, which in turn has largely been paid back to the producers throughout the province. Our gross earnings (before deductions for depreciation, head office assessment, government income and corporation taxes, etc.) for the past three years were as follows:

Year ending April 2nd, 1932	$820,208.08
Year ending April 1st, 1933	619,037.35
Year ending March 31, 1934	536,496.49

Net earnings, however, through savings in overhead expenses and other economies, have not suffered to the same extent and you will see from the following comparative figures that while our gross earnings have been cut 2¾% our net earnings were only cut 1¼%.

		Year Ending April 1st, 1933	%		Year Ending March 31st, 1934	%
Sales (including inter-company Sales)		$6,186,715.06	100.		$6,679,325.06	100.
Less: Cost of Materials	$3,388,625.00		54.77	$3,949,100.03		59.12
Productive Wages and Direct Exp's	1,769,211.50		28.60	1,787,782.65		26.77
		$5,157,836.50			5,736,882.68	
Gross Profit on Sales		$1,028,878.56	16.63		$ 942,442.38	14.11
Iceless Cabinet Rentals and other Revenue		87,347.04	1.41		79,963.88	1.19
Gross Trading Profit		$1,116,225.60	18.04		$1,022,406.26	15.30
Less: Administrative and Indirect Expenses		605,764.24	9.79		594,601.19	8.90
		$ 510,461.36	8.25		$ 427,805.07	6.40
Less: Amortization of Patent License, Organization Expenses and provisions for Depreciation, Dominion and Provincial Taxes		336,517.66	5.44		322,583.78	4.83
Net Profit		$ 173,943.70	2.81		$ 105,221.29	1.57

During the last four years we have been going through a most serious depression period. We believe we have faced and met greater difficulties than may ever again confront us, and any change from now on should be reflected in improved earnings on our operations. One thing of which we are sure is that our expenses have been trimmed to the bone. While this was being done we have maintained the morale and loyalty of our organization, and this will be a tremendous factor in bringing about improved earning conditions as rapidly as the upswing of business makes this possible.

Taxes—Last year reference was made to the matter of taxes, and unfortunately we cannot report that there is any let-up in this direction. I pointed out in our last year's statement that, had it not been for the extra taxes added in 1933, our net earnings would have been $75,000 higher.

Relief Milk—It is possible that you as shareholders and the public generally do not know that the allowances made in Relief Milk in the various cities in which we distribute has cost us this year nearly $100,000.00.

Dividends—As pointed out last year your Directors were forced to reduce the Preferred Dividend to 4% per annum. Our earnings for 1933 do not justify any immediate consideration of an increase. The dividends are cumulative and the arrears to date on the Preferred Stock amount to 3¾%. Any improvement in general business conditions should rapidly correct this situation. No dividends can be paid on the Common or Class "A" Shares until these cumulative dividends are fully cleared. Employees and their families own nearly seventy per cent of this Common and Class "A" Stock. I would like to refer again to the amounts we have paid out in Dividends—

During four years ending April 1st, 1933	$1,238,922.33
Dividends paid in 1934	120,885.00
Representing a five-year average of	271,961.46

Preferred Stock Redemption—The Company has from time to time made purchases of a limited amount of Preferred Stock offered on the open market, thus reducing the outstanding Preferred Capital, and the money used for this has come direct from Depreciation Reserve and has had no bearing on earnings or dividends.

Despite the fact that our earnings have been reduced almost to the vanishing point, we have every confidence that with a business such as ours, handling staple commodities and rendering an efficient service to the public, we will have an opportunity to carry on and ultimately secure for the shareholders a satisfactory return on their investment.

Yours faithfully,

SILVERWOOD'S DAIRIES, LIMITED,

(Signed) A. E. SILVERWOOD,

President.

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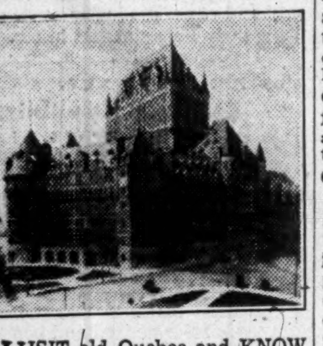

● VISIT old Quebec and KNOW the old-time Canada. See the Heights of Abraham, the Ramparts, the Citadel and Canada's oldest church. Drive to Montmorency or the Royal Quebec Golf Club for golf. The quaint countryside offers delightful attractions, including:—Ancient Lorette, Montmorency Falls, Ste. Anne de Beaupré and the Isle of Orleans.

● Set in this old-time Canadian atmosphere is that modern hotel, the Chateau Frontenac, known the world over for its charm, cuisine and service. Commandingly situated overlooking the mighty St. Lawrence River, the Chateau Frontenac is the ideal headquarters for the tourist and business man.

Chateau Frontenac Rates—European Plan. Single Room - $4.00 Double Room - $7.00 per day.

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11

Big Stores Handle 12 Per Cent Canada's Retail Merchandising

Business Secrets Bared by Stevens but Mass of Facts Lack Uniformity—Aggregate Sales Have Declined 36 Per Cent Since 1929 Peak

Nine leading department stores did approximately 12 per cent of Canada's retail trade in 1930, Eaton's alone being responsible for about 7 per cent, according to data compiled by The Financial Post from evidence presented to the Stevens' Mass Buying Committee and the records of the 1930 retail merchandising census. While sales of these stores have declined 35 per cent since that year, their proportion of the market probably remains about the same.

Not only do sales of the leading department stores represent approximately 12 per cent of total Canadian retail sales but, according to an estimate made by R. P. Sparks, Ottawa, submitted to the Stevens Committee, the "big three" did 14.77 per cent of the retail business in 1930 in the lines in which they compete. This estimate was made by elimination from the census figures of such lines as automobiles, sales of filling stations, lumber and building materials, etc.

Although overshadowed in Canada by the T. Eaton Co., which is the fifth largest department organization on the continent, Robt. Simpson Co. and the Hudson's Bay Co. rank high in the list of such concerns in North America. These three stores form the major group, the remainder being mainly one store propositions with comparatively small mail order businesses in some cases.

Eaton's Extent

Only two stores in the United States can be compared with the T. Eaton Co. for extent of operations, these being the world's two largest mail order houses, Sears, Roebuck & Co. and Montgomery Ward & Co., both of Chicago. The general impression that these two houses are primarily engaged in mail order is erroneous, Sears Roebuck, for example, having a chain of 46 department stores in 27 states, 332 smaller stores scattered throughout the United States and controlling numerous factories. The set-up of Montgomery Ward is similar.

Comparison of data on the T. Eaton Co. with those available on the two Chicago mail order houses follows:

Big Store Facts Compared

		T. Eaton	Sears, Roebuck	Montgomery, Ward
Outlets:				
Large dept. stores		13	46	16
Smaller dept. stores		32	332	519
Groceterias		57	...	...
Mail order distributing		5	9	6
Sales, 1933	$	132,500,000	269,378,000	187,633,000
Employees, 1933		25,734	40,000	22,000
Assets, Dec. 31, 1933	$	100,035,000	231,848,000	145,670,000
Net Profit, 1933	$	1,103,000	11,249,000	2,228,000
1932	$	737,000	†2,544,000	†5,687,000
1931	$	1,112,000	12,170,000	†8,712,000

The position of The T. Eaton Co. in Canadian merchandising is a much stronger one than that of Sears Roebuck in the United States, however. While sales of the latter company were almost double those of Eaton's in 1929, they represented sales of only $3.60 per capita as compared with per capita sales of The T. Eaton Co. of $22.60 in the same year, on the basis of a U. S. A. population of 123,000,000 and a Canadian of 10 millions.

Sales Decline 36 Per Cent

The average decline in department store and mail order sales has been greater in Canada than in the United States.

Sales of leading department stores in the United States have declined since 1929 in percentages varying from 14.7 to over 50. In the aggregate, sales of leading United States stores have declined less than those of Canadian but many Canadian stores have a high ranking.

Sales of J. C. Penney Co., New York, largest merchandising concern in the United States doing a strictly department store business, have declined only 14.7 per cent between the peak of 1929 and 1933, leading all other concerns in this regard. Four Canadian houses, however, follow, with declines ranging from 19.3 per cent to 28 per cent. Leading department stores are listed in the following table according to extent of decline in sales between 1929 and 1933.

Sales Decline in U. S. A. and Canada

	Head Office	Type of Business	Sales 1933	Sales 1929	% Decrease 1929-1933
J. C. Penney & Co.	New York	Chain	178,773,965	209,690,417	—14.7
Woodwards Ltd.	Vancouver	1 Store & M. O.	7,836,838	9,717,574	—19.3
R. Simpson Co.	Toronto	4 Stores & M. O.	37,526,000	48,196,337	—22.1
Jas. A. Ogilvy's	Montreal	1 Store	2,401,914	3,182,224	—24.5
A. J. Freiman	Ottawa	1 Store	2,822,417	3,916,939	—28.0
Federated Dept. Stores	Boston, etc.	Chain Group	82,551,164	117,003,398	—29.4
Montgomery, Ward & Co.	Chicago	M. O. & Chain	187,632,543	267,325,503	—29.8
May Dept. Stores	St. Louis, Mo.	Chain	76,469,968	112,724,226	—32.1
Dupuis Freres	Montreal	Retail & M. O.	4,577,095	6,767,643	—32.4
Sears, Roebuck & Co.	Chicago	M. O. & Chain	269,377,506	403,472,008	—33.3
Hudson's Bay Co.	Winnipeg	Chain	22,115,000	35,810,000	—38.2
T. Eaton Co.	Toronto	Chain & M. O.	132,500,000	225,053,000	—41.1
David Spencer	Vancouver	Chain	9,507,570	16,252,894	—41.5
Gimbel Bros.	New York	Chain	72,878,398	124,636,274	—41.5
Marshall Field	Chicago	Chain	88,457,957	179,659,338	—50.8
Decline, U. S. A. stores					—32.4
Decline, Canadian stores					—35.9

Although comparable data on breakdown of the sales dollar of Canadian companies is, unfortunately, not available, some interesting comparisons can be made along these lines. For example, only in the case of Dupuis Freres—which does a comparatively large mail order business in a low-priced line of goods—is the margin between cost of goods and value of sales larger than in the case of Eaton's and Simpsons. It is also noticeable that the margin is smallest in the case of the two Vancouver stores.

In the following tables, a comparison of the chief items of the sales dollar is made, comparable data on Eaton's and Simpsons being set forth in the second table.

Breakdown of Sales Dollar, 1933

	Cost of Goods	Wages	Advertising	Delivery
T. Eaton†	69.3	8.8	4.0	3.3
R. Simpson*	..	..	..	..
Hudson's Bay	72.0	14.8	2.8	1.3
David Spencer	72.3	15.4	2.6	0.5
Woodwards	74.2	12.6	1.4	..
H. Morgan*	..	..	..	..
Dupuis Freres	67.6	*	6.2	3.2
A. J. Freiman	70.1	14.7	4.8	1.0
Jas. A. Ogilvy's*	..	..	..	..

*Breakdown not available.
†Toronto, Montreal and Winnipeg stores and Toronto and Winnipeg mail order only.

Eaton's and Simpsons

	Cost of Goods	Wages	Advertising	Delivery
Toronto M.O.—				
Eaton's	69.5	3.6	6.2	5.6
Simpsons	68.0	3.4	12.5	6.2
Toronto Retail—				
Eaton's	67.5	12.0	3.8	2.8
Simpsons	66.6	9.0	4.0	2.5
Montreal Retail—				
Eaton's	68.5	9.3	4.7	1.4
Simpsons	68.5	7.1	7.0	1.9

Mark-ups Compared

Hudson's Bay Co. and Woodward Stores are outstanding as having the lowest maintained mark-up, Dupuis Freres being at the other end of the list. Mark-up figures for the complete organization of both Eaton's and Simpsons are not available, Toronto store figures being shown below:

Maintained Mark-up, 1933

Hudson's Bay	34.5%
Woodwards	34.6
David Spencer	40.4
A. J. Freiman	43.0
Henry Morgan	43.0
Dupuis Freres	53.7
Jas. A. Ogilvy's*	...
R. Simpson Co.†	44.0
T. Eaton Co.†	47.9

*Not available. †Toronto stores only.

Sales Dollar Breakdown

Any attempt to compile comparative data on Canadian stores from the evidence presented at Ottawa before the Stevens Committee is handicapped by the lack of uniformity of the facts revealed. Most complete evidence was given on the T. Eaton Co. On the other hand, evidence concerning Morgan's and Ogilvy's is exceedingly sketchy.

In the following tables an attempt has been made to obtain from the evidence comparative data for all the department stores covered by the enquiry. It will be noticed that data regarding employees and salaries and wages are not comparable while in some other cases omissions have been made necessary through lack of data.

Jas. A. Ogilvy's Ltd.

Head Office—Montreal.

No. of Outlets	1
Sales, Years ended Jan. 31:	
1934	$2,401,914
1933	$2,368,246
1932	$2,959,676
1931	$3,041,195
1930	$3,182,224
No. of Employees, 1933:	No. 425
Wages and Salaries	†
Assets	†
Net Profit	†
Maintained Mark-up	‡
Analysis of Sales Dollar	†

† Figures not presented to committee.
‡ No general figure available.

Woodward Stores Ltd.

Head Office—Vancouver.

No. of Outlets:	No.	2
Retail	No.	1
Mail order	No.	1
Sales, Years ended Jan. 31.		
1934	$	7,836,838
1933	$	7,991,477
1932	$	10,053,655
1931	$	9,146,935
1930	$	9,717,574
No. of Employees:	No.	857
Sales clerks	No.	599
Others	No.	258
Wages & Salaries, 1934	$	952,327
Assets, Jan. 31, 1934	$	6,700,000
Net Profit, 1934	$	484,786
1933	$	435,419
1932	$	554,977
1931	$	588,923
1930	$	736,832
Maintained Mark-up, 1934	%	34.64
Breakdown of Sales Dollar, 1934:		
Cost of goods		74.2
Workroom exp.		0.5
Sales wages / Expense wages		12.1
Advertising and display		1.4
Delivery expense		....
Rent, maintenance & deprec.		1.9
Local taxes		.9
General		2.2
Net profit		6.8
		100

A. J. Freiman Ltd.

Head Office—Ottawa.

No. of Outlets	No.	1
Sales: Years ended Jan. 31:		
1934		$2,822,417
1933		$2,866,361
1932		$3,824,586
1931		$4,021,630
1930		$3,916,939
No. of Employees, 1934:	No.	538
Regular	No.	310
Temporary	No.	228
Wages and Salaries, 1934:	$	419,248
Assets, Jan. 31, 1934:		$3,597,911
Net Profit, years to Jan. 31:		
1934	$	*191
1933	$	*1,311
1932	$	145,092
1931	$	185,687
1930	$	293,766
Maintained Mark-up, 1934	%	43.0
Analysis of Sales Dollar, 1934:		
Cost of goods		70.1
Wages		14.7
Advertising		4.8
Delivery		1.0
General		5.4
Interest		3.1
Rent		.9
Net loss		...
		100.0

* Loss.

Dupuis Freres Ltd.

Head Office—Montreal.

No. of Outlets			2
Store			1
Mail order			1
Sales Years Ended Jan. 31	Store	Mail Order	Total
	—In Thousands of $—		$
1934	3,528	1,049	4,577,095
1933	3,552	1,400	4,952,232
1932	4,111	2,056	6,157,521
1931	4,213	2,043	6,255,739
1930	4,485	2,302	6,767,643

No. of Employees	No.	785
Retail selling	No.	323
Mail order	No.	170
Others	No.	292
Assets, Jan. 31, 1934		$5,559,577
Net Profit: Years to Jan. 31:		
1934	$	31,154
1933	$	2,146
1932	$	142,111
1931	$	16,620
1930	$	133,381
Maintained Mark-up, 1934	%	53.7
Analysis of Sales Dollar, 1934:		
Cost of goods		67.6
Administration		7.4
Occupancy		6.5
Advertising		6.2
Buying expense		2.0
Sales expense		8.0
Delivery		3.2
Interest		1.7
Net profit		.7
Credit interest		3.3
		100.0

R. Simpson Co.

Head Office—Toronto.

No. of Outlets	No.	53
Retail	No.	4
Order offices	No.	12
Merchant agents	No.	34
Mail order	No.	3

Sales, Years Ended:	Stores	Mail Order
Jan. 3, 1934	$30,430,569	$7,095,850
Jan. 4, 1933	28,441,163	6,286,841
Feb. 3, 1932	35,627,039	9,320,368
Jan. 28, 1931	35,835,526	11,076,928
Jan. 29, 1930	35,563,113	12,633,224

Total Sales, years ended:		
Jan. 3, 1934		$37,526,419
Jan. 4, 1933		34,728,004
Feb. 3, 1932		44,947,407
Jan. 28, 1931		46,912,454
Jan. 29, 1930		48,196,337
No. of Employees, 1933:	No.	6,228
Toronto units	No.	4,650
Others	No.	1,578
Wages and Salaries:		
Toronto units		$ 4,006,694
Assets, Jan. 3, 1934:		$35,137,603
Net Profit, years ended:		
Jan. 3, 1934		$1,223,458
Jan. 4, 1933		114,660
Feb. 3, 1932		1,605,095
Jan. 28, 1931		2,501,012
Jan. 29, 1930		2,657,732
Maintained Mark-up, 1934, %:		*44.01

Analysis of Sales Dollar:	Toronto Store	Montreal Store	Toronto M.O.
Cost of goods	66.6	68.5	68.
Workroom wages	1.5	..	..
Wages	7.5	7.1	3.4
Advertising	4.0	7.0	12.5
Delivery	2.5	1.9	6.2
General	7.8	7.4	11.8
Interest on stock	1.2	1.4	1.1
Furniture & Fixtures write-off	1.2	1.9	.2
Rent	7.6	8.9	2.8
Profit or loss	.1	4.1	6.
Total	100.	100.	100.0

*Toronto store only.

Hudson's Bay Co.

Head Office—London, Eng.
Canadian Head Office—Winnipeg.

No. of Outlets:		
Retail stores	No.	11
Fur trade posts	No.	225
Sales*, year ended Jan. 31:		
1934		$22,115,000
1933		$22,540,000
1932		$25,496,000
1931		$30,761,000
1930		$35,810,000
Sales of Leading Outlets, 1934:		
Winnipeg		$6,998,316
Vancouver		$6,048,877
Calgary		$2,646,896
Edmonton		$1,864,989
Victoria		$1,890,375
Saskatoon		$1,121,373
No. of Employees, 1934:		
Stores	No.	3,066
Other divisions	No.	790
Store Wages & Salaries, 1934:		$3,203,805
Assets, Jan. 31, 1934		$36,890,268

Net Profit or Loss: Years ended Jan. 31:	Stores†	All Operations‡
1934	+$ 935,996	+$ 403,499
1933	+ 557,211	— 1,061,599
1932	— 185,986	— 4,261,481
1931	+ 621,692	— 2,935,415
1930	+ 1,908,810	+ 1,879,928

Maintained Mark-up, 1934, %	34.5
Analysis of Sales Dollar*:	
Cost of goods	72.0
Workroom wages	0.3
Sales and expense wages	14.5
Advertising	2.8
Delivery	1.3
General	4.8
Interest	1.0
Furniture and fixtures	1.2
Rent	2.0
Net profit	0.1
	100.0

* Stores department only.
† Before depreciation.
‡ After depreciation and income tax.

T. Eaton Co.

Head Office—Toronto.

No. of Outlets:	No.	147
Large dept. stores	No.	13
Small dept. stores	No.	32
Groceterias	No.	57
Mail-order distributing	No.	5
Mail-order offices	No.	40
Sales, year ended Jan. 11, 1934:		
Toronto store		$34,713,000
Winnipeg store		$18,341,000
Montreal store		$14,802,000
Other main stores		$15,326,000
Chain stores		$13,803,000
Mail-order		$35,515,000
Total		$132,500,000

Sales of Leading Outlets: (In Millions of Dollars)

Stores	1933	1932	1931	1930	1929
Toronto	34.7	39.0	47.9	55.2	59.0
Winnipeg	18.3	20.1	23.3	27.9	29.9
Montreal	14.8	15.8	18.8	21.5	22.4
Mail Order					
Toronto	11.4	11.8	15.8	21.6	24.3
Winnipeg	17.1	16.6	17.4	22.0	29.3

Total Sales, Years ended:		
Jan. 11, 1934		$132,500,000
Jan. 12, 1933		$142,415,000
Jan. 14, 1932		$171,984,000
Jan. 29, 1931		$205,149,000
Jan. 30, 1930		$225,053,000
No. of Employees, 1933	No.	25,736
Selling	No.	11,561
Factory	No.	6,208
General	No.	4,220
Clerical	No.	3,856
Wages and Salaries, 1933		$ 24,945,000
Assets, Jan. 11, 1934		$100,035,000
Net Operating Profit:		
Years ended Jan. 11, 1934	$	1,103,000
Jan. 12, 1933	$	737,000
Jan. 14, 1932	$	1,112,000
Jan. 29, 1931	$	3,202,000
Jan. 30, 1930	$	3,647,000
Maintained Mark-up, 1933:		
Toronto store	%	47.9
Winnipeg store	%	36.1
Montreal store	%	43.0
Toronto mail order	%	43.5
Winnipeg mail order	%	40.6
Analysis of Sales Dollar:*		
Cost of sales		69.3
Workroom wages		1.4
Sales wages		4.1
Expense wages		3.3
Advertising & display		4.0
Delivery		3.3
General		8.7
Interest & stock charges		0.6
Furniture & fixtures		0.3
Rent		3.6
Net profit		1.3
		100.0

* Five leading outlets—Stores at Toronto, Winnipeg and Montreal and mail order at two former.

David Spencer Ltd.

Head Office—Vancouver.

No. of Outlets:	No.	5
Retail	No.	4
Mail order	No.	1
Sales, Years Ended Jan. 31,		
1934	$	9,507,570
1933	$	9,769,283
1932	$	12,641,040
1931	$	14,826,870
1930	$	16,252,894
No. of Employees, 1933	No.	1,438
Sales clerks	No.	1,018
Others	No.	420
Wages & Salaries, 1934	$	1,461,999
Assets, Jan. 31, 1934	$	13,707,021
Net profit, 1934	$	280,586
1933	$	99,804
1932	$	295,787
1931	$	523,346
1930	$	1,005,978
Maintained Mark-up, 1934	%	40.4
Breakdown of Sales Dollar, 1934:		
Cost of goods		72.3
Sales wages / Expense wages		15.4
Advertising and display		2.6
Delivery expense		0.5
Rent, maintenance & deprec.		2.7
General		3.6
Net profit		2.9
		100

Henry Morgan & Co.

Head Office—Montreal.

No. of Ouelets		1
Sales, 11 Mos. to Dec. 31, 1933.		*$4,569,052
No. of Employees, 1933:	No.	1,260
Wages and Salaries, 1933:		$899,004
Selling wages		$456,998
Expense wages		$442,006
Assets:		†
Net Loss, 11 Mos. to Dec. 31, 1933		*$279,260
Maintained Mark-up, 1933:	%	43
Breakdown of Sales Dollar, 1934		†

* Only available figures.
† Figures not presented to committee.

RESTIGOUCHE CO. ARRANGES TO PAY AUGUST INTEREST

Decision Falls in With Reorganization of Two Years Ago

From Our Own Correspondent

MONTREAL.—Directors of the Restigouche Co., a subsidiary of Fraser Companies, announce that the semi-annual interest due on August 1, 1934, on the company's 6 per cent first mortgage bonds would be paid on that date to bondholders of record July 31.

It has been known for some time that operations of the company have been on a capacity operation with a substantial increase in net earnings. The demand for pulp in Canada, the United States and abroad has shown a marked improvement. The company turns out a high-grade sulphite pulp which is largely used in the manufacture of artificial silk.

The current declaration of the half-yearly interest on the 6 per cent first mortgage bonds is in accordance with the reorganization plan adopted in 1932. Under this plan interest on the Restigouche bonds was to be deferred for two years from February 1, 1932, to resume on August 1, 1934, if earned. The deferred interest for the two year period of grace is to be discharged in five equal annual installments with interest from February 1, 1937.

MARITIME FISH RETURNS BETTER

Catch and Value for May Register Big Increase

From Our Own Correspondent

MONTREAL.—Fishery operations in the Maritime Provinces underwent a marked improvement last May, according to returns compiled by D. H. Sutherland, chief supervisor of the Eastern Division of the Department of Fisheries.

Total landings in the Maritimes show an increase of 13,522,800 pounds with an increase in the landed value of $813,050.

Nova Scotia was in the forefront with increase both in the catch and landed values while New Brunswick and Prince Edward Island had decreased catches but increased landed values. Magdalen Islands had a heavy increase in the catch, while the landed value was almost double that for last year.

Value Nearly Doubles

For the division the total month's catch was 105,773,400 pounds and the landed value, $2,007,811, compared with 92,250,600 pounds, worth $1,194,761, for May last year.

Principal varieties taken were, in the order of value, lobsters, herring, cod, sardines, halibut and haddock. Gains in the catches of each, with the exception of halibut, were recorded.

Potato Acreage Lower

While potato planting in York County and other parts of Central New Brunswick will be about 20 per cent larger this year than last, officials of the Department of Agriculture estimate the general average of the province as a whole at a ten per cent increase.

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Langevin and Co. Succeed Langevin and Rainville

From Our Own Correspondent

MONTREAL.—Effective on July 3 the firm name of Langevin and Rainville, members of the Montreal Stock Exchange and Montreal Curb Market, was changed to Langevin & Co. The partners of the new firm are J. Z. Langevin; Thos. Barry; R. V. Langevin; J. A. Couture.

The change in the firm name became necessary by the resignation of Messrs. G. H. Rainville and Paul Gelinas.

More Butter Produced

Ontario's production of creamery butter in the first five months of the year amounted to 25,274,092 pounds, an increase of 399,163 pounds or 1.6 per cent over the similar period of last year.

Saskatchewan's Fur Output

Raw fur production of Saskatchewan during the season of 1932-33 had a value of $1,201,038, as compared with $1,043,739 in the previous season and $1,132,718 the season before that.

John D. Gilmour,
B.Sc.A., B.Sc.F., (Toronto)
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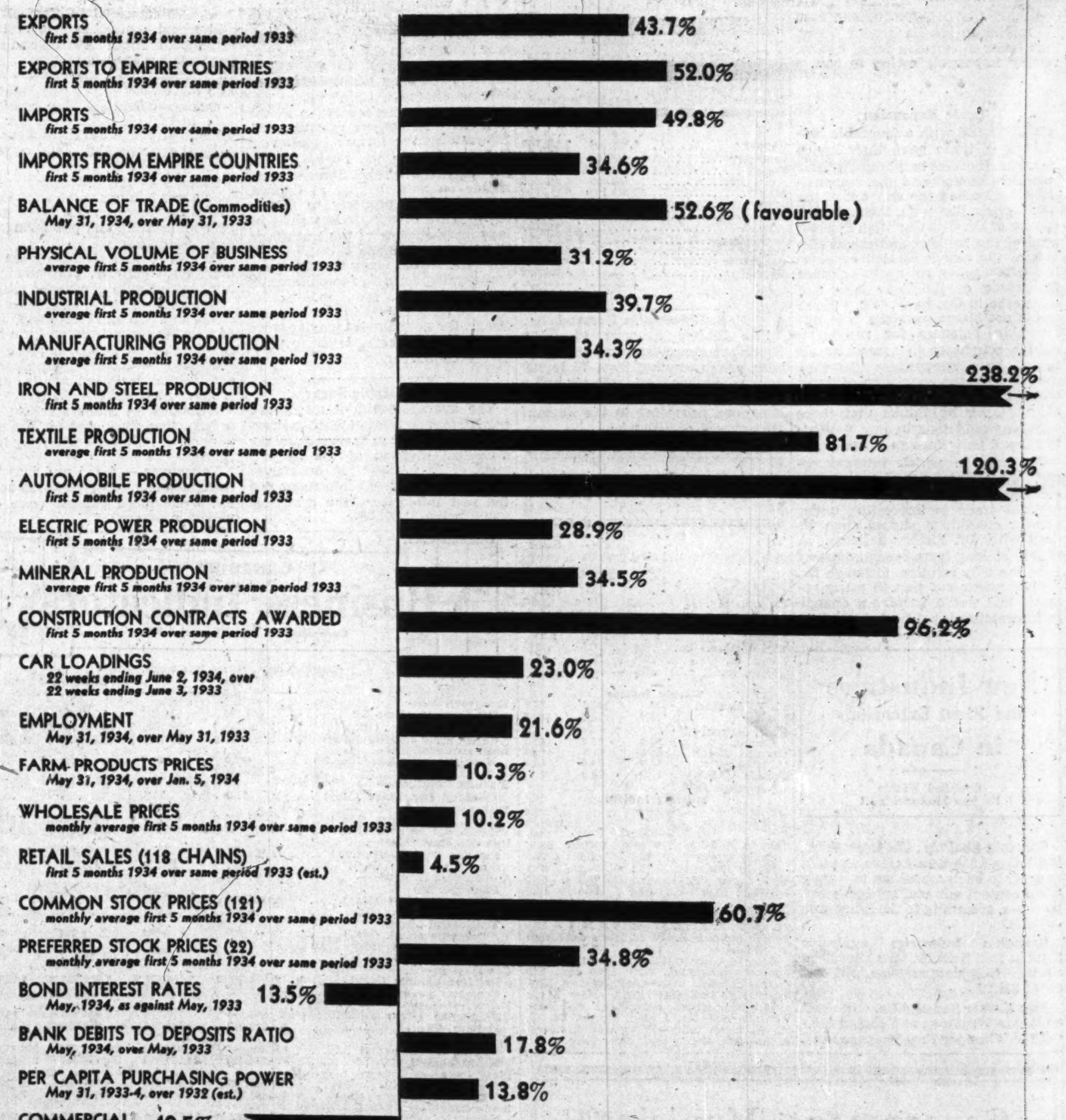

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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STOCK EXCHANGE SUSPENDS TRADING "ALCOHOL" SHARES

Ottawa Vetoes Set-up of Capital Under New Plan

NEWS WITHHELD

Company Fails to Notify Exchange, Which May "Wash-out" All Transactions

From Our Own Correspondent

MONTREAL. — All trading on the Montreal Stock Exchange in "new" issues of Canadian Industrial Alcohol Co., which had been proposed and in which trading has been on a "when, as and if issued" basis, is null and void, according to a ruling of the Exchange governing committee. This ruling covers transactions between April 20 and June 28.

It was ordered that all commissions on these sales should be refunded to clients.

It was further announced that the Exchange is making application to the Federal and provincial governments for refunds of any stock taxes paid on these transactions, and said these would be refunded to the clients by the members when they had been reimbursed by the respective governments.

This action followed the disclosure that the Secretary of State had refused the company's application for supplementary letters patent to change the capital structure.

The company was notified on June 20 of the decision of the Secretary of State, but knowledge of this action did not come to the Montreal Stock Exchange until a week later, though there were rumors of difficulties. No reason was given for the delay in making the information public.

Company Issues Statement

The company's statement follows: "Following upon the special general meeting of the shareholders which was held on the 19th of April last and which was called to deal with the question of the alteration of the capital structure of the company, application was duly made to the Secretary of State of Canada for the issue of Supplementary Letters Patent giving effect to the by-law and resolution passed at the meeting.

"At the meeting a few of the shareholders objected to the plan and one of these shareholders subsequently protested to the Secretary of State against the issue of Supplementary Letters Patent. The protest was based on objections to the proposed method of redemption. Conferences have been held with the Secretary of State, who also gave the protesting shareholder the opportunity of being heard with regard to his protest.

"In accordance with the authority conferred by the shareholders the application has been pressed. A letter under date of June 20, 1934, from the Secretary of State refusing the application has now been received by the solicitors for the company, from which the following is an extract:

" 'The provisions of section 56 of the present Companies Act are adequate for the purpose of enacting bylaws for creating preference shares and for the redemption of purchase of such preference shares, without the issue of Supplementary Letters Patent.

Government Decides Issue

" 'The issue of Supplementary Letters Patent places upon the Secretary of State the responsibility of approving and sanctioning such bylaws, which, in this case, is not absolutely necessary. This responsibility the present Secretary of State declined to assume without reference to the Government. The Government, after due consideration, has instructed the Secretary of State to refuse this application.'

"It was on account of the fact that the solicitors for the company were of opinion that proceedings taken under section 56 of the Companies Act would not be adequate to cover all of the matters dealt with in the application that they advised applying for Supplementary Letters Patent under section 39 of the Companies Act as well as under section 56, and for this reason, as the meeting was informed, the solicitors submitted the form of application to the Department of the Secretary of State in advance of any formal proceedings being taken.

Leave Capital Unchanged

"Our solicitors now advise us that they do not disagree with the statement contained in the first of the paragraphs quoted above when taken by itself and subject to the conditions of the section of the Act. It is their opinion, however, that the section in question is not wide enough to cover the whole subject matter of the alteration of the capital structure contemplated by the plan and that without the issue of Supplementary Letters Patent the plan cannot be carried into effect, under the existing Companies Act.

"The application having been refused, the proceedings of the shareholders taken at the special general meeting are non-effective and consequently the capital structure of the company remains unaltered."

Ottawa Gives Reasons

The company was notified on June 20 of the decision of the department of the Secretary of State and following is a statement of the matter issued from that source:

"The application for supplementary letters patent made by the Canadian Industrial Alcohol Company Limited has not been approved by the Government. This application proposed the creation of no par value shares, preferred as to capital and redeemable by the company.

"The new Companies Act prohibits the creation of no par value preference shares which are preferred as to capital, but, as this act is not yet in force, this feature did not create an insuperable objection.

"The application further provided for the redemption of the preferred shares so created by authorizing the directors, either to purchase shares on the stock exchange, or to call for tenders from shareholders, or to select by lot the shares to be redeemed.

"The Government were of opinion that these provisions might result in doing injustice to minority shareholders, and were of opinion that the shares to be redeemed should be called for redemption rateably and proportionately to the number of shares held by each shareholder, and so preserve to each shareholder the right to have all or an equal proportion of his preferred shares redeemed whenever the redemption of such shares may be undertaken by the directors."

Ready for More Dairy Mergers

Absorbs 28 Companies in Six Years but A. E. Silverwood is Not Going to Retire Yet

BY GORDON L. SMITH

Rumors of dairy company mergers inevitably include the name of Silverwood. Fifteen years ago outside of the London district in western Ontario, the name was little known. But more and more, wherever milk, butter or ice cream are sold in Canada, the name constantly crops up.

In 1922 there was a little flurry when two or three creameries and ice cream plants were linked together by the name of Silverwood. But the big milk distributors in Montreal, Toronto and Winnipeg went on their way undisturbed. Then quickly followed the invasion of such important centres as Windsor, Hamilton and Peterborough. Finally the name appeared on milk waggons in the streets of Toronto. The business world of eastern Canada, at least, realized that a new challenger had appeared.

He Goes Ahead

Dire predictions were made, by those who could not believe that the expectations aroused in the investing public could be realized, but the Silverwood organization continued to expand. Then came the depression. Merging ceased but the much heralded crash of the Silverwood house of cards did not follow. Instead, with the lifting of the depression, the company now appears to be better entrenched than many of its competitors and Mr. Silverwood declares himself ready to take on still further responsibilities.

Who is the driving force behind this organization? Who is this man, A. E. Silverwood?

Physically he is soon described, rather short, stoutly built, with greyish brown eyes and a salesman's aggressive chin. He is 58 years old and might be taken for ten years younger. But what is behind the figure is a different matter, and cannot be described so readily.

Still Ready

"If you were offered a dairy company right now at a reasonable price, would you consider it?" I asked him the other day. "Certainly," was the immediate response, "now or any time. We have cleared off the barnacles. We have reduced our administration expenses by about 20 per cent. We are young, and just as aggressive as ever."

Era of Expansion

From 1922 until 1928 Mr. Silverwood was busily adding 28 different companies to make up his present chain. Scarcely a day passed without someone predicting his eclipse. He was going ahead much too fast, it was said. His working capital was too small, and his methods of financing were unorthodox. How could a man go on at this rate and retain his hold or his strength? But when he continued to go ahead, then his critics fell back on another tack. "It is a one-man concern and if during one of his fast drives through the country he ends up by winding around a telephone pole, then down comes the whole concern." These were the predictions made, but those responsible did not seem to know the man behind the rapidly growing dairy company.

Laying Foundation

Supporting the original Silverwood Company was a long record of gradual and firm building. Before this was an equally long apprenticeship in sound business development, for the most part served in small Ontario cities and towns.

A. E. Silverwood, like many other prominent Canadian business men, hails from the country. He is the youngest of nine children, born on a farm that lies on the outskirts of the village of Oakwood in Victoria County. It was a good farm, being located in what is generally considered one of the best townships of Ontario, Mariposa. But even a good farm in those days, or now, could not adequately support such a family and give all members the equivalent of a modern education.

The Silverwoods, of English and Irish extraction, were not ordinary people. One of the older boys, F. B. Silverwood, went out to California and there in a comparatively short time built up a system of chain stores that still endures. When this brother died ten years ago the business was turned over to the employees who are still carrying on under the name of Silverwoods Inc.

Going to school in Oakwood, young A. E. Silverwood decided that he would be a lawyer. Doing his own financing, he put himself through school and qualified as a teacher. But he was going ahead too fast, and because of his youth was not allowed to teach for a year or two. In the interval he worked on the home farm and anywhere else where he could find employment. Then followed five years as country schoolmaster at Glandine in Mariposa, during which time he studied university work, took up bicycle riding and football.

Champion on Wheels

An old family friend thus describes him at that time. "Having a strong athletic figure he became wedded to the wheel. He won races and honors all over Ontario. He was a whirlwind on wheels and it was quite the usual thing, at least all over Ontario, to see him sail out ahead of the ruck and maintain his position of leadership easily. He really was a wonder, speedy and enduring."

On this popular vehicle of the late 90's he won a provincial amateur championship but off it he tumbled one day and dislocated a knee which still troubles him when the wind is in the east. His bicycle races took him as far west as Petrolia."

Rising Leader in Dairy Field

—Sketched from life by Evan Macdonald.

A. E. SILVERWOOD

Who after quietly building up one of the largest ice cream and butter plants in Western Ontario, came into the spotlight of big business by merging 28 different dairy companies under his own name between 1922 and 1928. Now with the depression largely behind him, Mr. Silverwood says he is ready for more.

In Produce Trade

But Mr. Silverwood was not destined to complete his life teaching the younger generation their three R's. Fate intervened in the form of a small partnership with the firm of Dundas and Flavelle at Lindsay and Mr. Silverwood had started his business career. For Dundas and Flavelle he had charge of the poultry department and soon had built up this from practically nothing to one of approximately 700,000 lbs. a year. About half the poultry were exported and the rest went to the Prairies. Still with the same firm Mr. Silverwood went to London and developed a produce business which soon became the largest in the Dominion reaching a peak in sales in 1907. The purchase of poultry was about equally divided between turkeys and chickens. At this time, Mr. Silverwood developed his own grades for dressed poultry and eggs which largely formed the basis for the government grades established 20 years later.

Competition

About 1910, competition set in. The West required less and less poultry as its own flocks became established and American buyers started coming into Ontario and looking for supplies. Mr. Silverwood decided that the poultry end of the produce business was not going to give him sufficient scope. He started to pay more attention to butter. About 1911, he associated himself with a group of London business men and started out with a firm under his own name. Butter formed the big end of the business until 1918, when ice cream was added. Silverwoods were soon the largest seller of this commodity in western Ontario.

At this time came the inspiration that led to the big expansion, the inspiration, incidentally, coming from an unexpected and entirely innocent source. "The express companies decided to double the rates on ice cream, and despite our remonstrances, did so, and a few years later added another 10 per cent," he says. "The heads of the two express companies came to see me, as President of the Canadian Ice Cream Association, and I warned them that they were about to kill the goose that laid the golden egg.

First Branch Plants

"We had been paying about 70 cents express on a tub of ice cream to Chatham. The rate was raised to $1.70. We couldn't pay that and go on making any profit so the idea occurred to me that we would have to establish branch plants. We did so either by putting in a plant ourselves, or else taking over existing equipment. The railway lost revenue both ways, on the haul of cream or milk to London and the return haul of the ice cream mix."

To completely solve the new transportation problem, Mr. Silverwood bought a fleet of trucks. At that time (1918) there were few highways and fewer roads for this sort of work, but Mr. Silverwood's big trucks soon started blazing trails all over the country for the future highways to follow, in his search for cream and milk, and in delivering his ice cream.

The new venture was a success. Four years more found the Silverwood Co. ready for the next move. Dairy companies and local boards of trade approached Mr. Silverwood to establish plants. People came to him. Never, he states, did Silverwoods deliberately set out to invade another field, and at least twice as many offers were turned down as accepted. But offers there were in abundance, during those six strenuous years between 1922 and 1928. "Scarcely a week passed," he said, "that some sort of a proposition was not laid under my nose."

Simple Mergers

His procedure was extremely simple. The local companies, sometimes in distress, and often farmers co-operatives, approached Mr. Silverwood with a view towards being taken over. The matter was always a personal deal between A. E. Silverwood and the local company. Mr. Silverwood made an investigation and if the thing looked feasible, an arrangement was made whereby the former owners got preferred stock in the new company formed, and Mr. Silverwood got common. Sometimes there was some cash and sometimes not. Sometimes Mr. Silverwood supervised operations for a while before taking the new company into the Silverwood chain. If money was needed it was arranged for locally, the shippers and buyers furnishing most of the capital. Thus the Silverwood concern lived on the country served, the fortunes of both were tied and when the trying time came, both stuck together.

Raise Capital Locally

Barring the sale of a small bond issue to a New York house, practically all Silverwood capital has been raised in territories served by the company. Members of the firm took stock and every employe was a salesman as well as a buyer of shares. As a result, well over 90 per cent of the Silverwood employees are shareholders in the company and with their families, practically own 70 per cent of the common Class A stock, states Mr. Silverwood proudly. Milk producers in the area covered by Silverwood's hold a lot of the preferred stock, some got in exchange when the local company was taken over and some purchased later. The whole sale, Mr. Silverwood says emphatically, was made on a voluntary basis. There was no coercion and buyers or 'exchangers' had the option of preferred stock or Class A. As the business expanded the stock was issued, bought and sold through Silverwood's own financial company. While it was not compulsory to exchange stock in the local company for that of the holding concern, most shareholders did so, explained Mr. Silverwood, because they believed that the latter had more diversity. "It was really a pool," he stated, "profit and losses from the 28 plants were thrown together."

Adds 28 Companies

Between 1922 and 1928 there were 28 companies added to the chain. Two of these were dropped and one new plant was opened. By the end of that period there were Silverwood branch plants in London, St. Catharines, Lucknow, Windsor, Kitchener, Elmira, Chatham, Sarnia, Hamilton, Brantford, Peterborough, Stratford, Woodstock, Guelph, Toronto, Forest, North Bay, Sudbury, Cargill, Fergus and Cayuga, either producing dairy products or buying them, or both. In 1922, Silverwoods sold its first quart of milk. Twelve years later 100,000 homes were being served.

That in briefest form is the record of the big expansion, but here again there is a story behind the figures. The policy of living off the country and restoring the profits to the country was continued. As profits were made they were turned back quickly to shareholders, the preferred group getting 7 per cent and the Class A common nearly as much as it earned.

Mistakes

"We realize now that we got a little too far from shore after 1930," Mr. Silverwood told me. "But we were fooled a little by the ice cream sale. During 1930, which is now known to be the first year of the depression, there was a big increase in the sale of ice cream. Other products more than held their own. There was really no indication in the dairy business then of a depression. Instead of piling up a cushion for our preferred stock, we included the regular dividend of $1 on Class A, which had been paid from the formation of the company, and was continued until October, 1931, when it was cut in half and then in January, 1932, discontinued. It was not really until late in 1931 that sales of ice cream began to tumble and in that year too came the relief milk problem, a business which cost us at least $100,000 last year alone. Ice cream consumption in Canada fell off easily 40 per cent during the depression from the 1930 figure. But the depression, I hope, is over, and we are still here."

Good From Depression

Incidentally, Mr. Silverwood thinks that the depression was not an unmixed evil. Canada could not go on the way it had been going, he remarks. As a result of the hard times, a lot of dead wood has been cleaned out. Cost of administration had grown excessive. Too many old firms were carrying along with poor staffs, relatives of the founders in preferred positions, and other abuses. "We were more fortunate," he states, "being young. We hadn't had time to collect many barnacles, and so when we had to check over our administration costs, we found we could only cut them 20 per cent. Some of the older firms, I understand, have cut 50 per cent and are probably getting better results than they were before."

During the last three years, while no important purchases have been made, Mr. Silverwood apparently has been digging in, throwing up fortifications against the future. And in the latter respect he is looking a long way ahead. In his philanthropies he has prepared for 21 years after his death, and while unable to go quite that far with the Silverwood business, he has been thorough.

"If possible, we hope to establish some sort of a pension system for our employees, but we are too young and have too many other obligations to attempt that step yet. But I realize that the men are not overpaid and I also admit a heavy debt to the older key men who helped build up the organization and the young directors who are in the harness now."

Holding Executives

The pension scheme Mr. Silverwood hopes to see in operation just as soon as conditions are better, while two trusts have already been established to look after the key men. Under the latter scheme Mr. Silverwood's holdings of Class A stock, representing about 30 per cent of the issue, have been turned over to a trust on which the employees and directors are represented.

This trust will carry on for 30 years from 1933. For the first 20 years dividends and other values will accumulate and distribution of the proceeds will start annually from 1953. Each of the present 35 key men definitely figures in this trust and more will be added as they qualify. The value will depend absolutely on the value of the business, so that the fortunes of the Silverwood organization are inevitably tied up with the fortunes of the senior employees.

"Too often executives help to build up an organization and then are turned off before they have any chance to accumulate anything. They get no share of the development they helped to create. There will be nothing like that in this case," stated Mr. Silverwood, "because the thing has been arranged already, the stock has been set aside and even I cannot change it now. When a man gets older he might take sudden likes and dislikes for no particular reason at all, but there is protection against such whims here."

Shrewd and Humane

This trust scheme, which sounds rather unique, well illustrates the shrewd but humane business method of Mr. Silverwood. Under this scheme it would be poor business indeed for an executive to hastily disassociate himself from Silverwood's. He knows and can figure out for himself that an accumulation is piling up in his account and will continue to pile up for over 20 years. He knows that as times improve the value of the stock set aside in his name and the dividends thereon will also improve. His reward will definitely depend upon the progress of the Silverwood Co. and, incidentally, his own efforts. Mr. Silverwood intimated that he has seen too many companies wrecked or partially wrecked, by key men leaving the organization to accept positions with competitors.

Other trusts were mentioned, some already in existence and some only in the fertile mind of Mr. Silverwood. One such operates as an

(Continued on page 12)

BELNAP COVERS MANY PROBLEMS IN PAPER TRADE

Consolidated Paper Head Tells of Difficulties at Annual Meet

From Our Own Correspondent

MONTREAL. — Jungle competition, increased cost of manufacturing, lower gross returns on sales and other problems confronting the newsprint industry were outlined by L. J. Belnap, president, at the annual shareholders' meeting of Consolidated Paper Corp. There were some indications of possible increase in price of newsprint, said Mr. Belnap, but while the price level remains where it is, profits are impossible.

"Newsprint consumption has shown an upward trend during the last few months, but the sales price remains so low that profits are impossible, the present selling price being the lowest in over twenty years.

Lower Values Received

"Since 1930 the net sales return has dropped $22 per ton, or 40 per cent. The output of Canadian mills in May, 1929, the all-time peak, was approximately the same as May, 1934. The value of the sales in May 1929, was $13,500,000, compared with $8,000,000 for May of this year, a drop of $5,000,000. In 1933, the Canadian and United States output was nearly 3,000,000 tons with a value of $122,000,000, delivered at the principal points of consumption. In the year 1924 the output was 130,000 tons less; the sales value, however, delivered at the principal points of consumption was $229,000,000, almost double that of 1933.

"Although the corporation's volume of newsprint for the last fiscal period was practically the same for previous fifteen months fiscal period, the sales value decreased more than $2,000,000, or approximately $7.50 per ton. Costs have been reduced since the inception of the corporation's activities by $7.80 per ton, but owing to cut-throat competition of Canadian mills, the net selling price has declined $12.60 per ton during the same period.

"During the period under review, the operating loss due to lowered selling price would have been approximately $2,000,000 more, had not the strictest economy, resulting in reduced costs, been practised.

Cost Company $5,000,000

"Since the inception of the corporation the loss in revenue through reduced selling price has been approximately $5,000,000.

"The Canadian newsprint industry has suffered extensively during the last few years through jungle competition. Price cutting and special concessions in most markets have been such that at this time selling prices are less than cost to even the most efficient producers.

"There are some indications of possible increase in price, but the industry is facing an increase in costs owing to higher wages, cost of materials, taxes, ground rent and stumpage dues, etc.

Reduce Bank Loans

"Since the formation of the Reorganization Committee, bank loans have been reduced eight and three-quarter millions and since the commencement of operations on January 1, 1932, approximately six million. Bank loans have been further reduced since the end of the fiscal year.

Four-year Turnover

"Considering the heavy investment character of the industry it is manifest that the business has a low sales-to-investment ratio. At the current selling price of newsprint, the ratio of the sales dollar to the investment dollar is approximately 1 to 4. In other words, the industry at current mill average selling price, at full capacity operation and on a replacement capital investment, requires four years to turn over its investment dollar in terms of sales dollars. Putting it another way, its investment activity is 25 per cent.

"The ratio of sales to capital is lower than in any heavy industry, except perhaps the hydro-electric power industry. This is quite obvious when one considers rapidity of turnover factor in chain stores, textiles, automobiles, rubber goods, steel and all general consumer goods."

War On Waste

PROTESTS by western Ontario elevator men have been made against the proposal to include a $600,000 corn-drying elevator at Windsor in the $40,000,000 Dominion public works programme.

The only difference between a corn-drying elevator and any other elevator is certain machinery and equipment for drying and grading. The elevator men pointed out that they have these facilities already or were willing to supply them. And there is idle elevator space at Georgian Bay and western Ontario points. It would be much less costly to get additional drying equipment installed in present elevators, provided that it is necessary, which seems doubtful.

There is no economic salvation in building an extra elevator where the present facilities are sufficient for the trade. It would merely mean another losing government project, and a further economic loss to the public through shrinkage of earnings of the existing elevators.

Like the economically wasteful Churchill elevator and Hudson's Bay Railway, this would merely be another waste. If we are to have public works programmes, the waste due to inadequate consideration of the need for the various works must be eliminated before such programmes will have permanent value.

Preferred Shareholders Block Reorganization Of Price Bros. and Co.

All Other Interests Are Strongly in Favor of Plan

HEARST PLAN GIVEN

Royal Securities and Hearst Offer Outlined — Property May be Put Up for Auction

From Our Own Correspondent

MONTREAL.—Preference shareholders under the leadership of R. H. Collis, of Kitcat and Aitken, London, Eng., were successful in blocking efforts to have approved the company plan of reorganization for Price Bros. & Co., as sponsored by Bowater's Paper Mills, Duke-Price Power Co., London Daily Express and Anglo-Newfoundland Development Co., despite the fact that the unsecured creditors and the common stock shareholders voted overwhelmingly in favor of it, while the bondholders had previously given their approval.

Up to Bondholders

It is difficult to say what the next step will be in connection with the reorganization of Price Bros. Co. The Bondholders' Protective Committee hold the whip hand and they have stated in no uncertain terms that unless the present plan was approved by all interested parties, the next step would be to foreclose on those assets secured by the trust deed and put them up for public auction.

May Lose Out

In such an eventuality it is possible that those creditors ranking junior to the bondholders will not fare very well. The interests originally competing for control have united forces and it is unlikely that they will bid more than the bonds are worth if no competition is forthcoming. This would leave the unsecured creditors, preferred and common shareholders in a precarious position. There is a possibility of competition for the property, if it came up for auction, from the Royal Securities and the Hearst Corp., which have placed a bid for part of the Price Bros. and Co.'s assets.

Hearst Offer Detailed

A feature of the meeting held at the end of last week to vote upon the company plan was the expected announcement by W. J. Symington, K.C., that Royal Securities Corp. and Hearst Corp. of New York, have made proposals to Hon. Gordon Scott, as trustee for the property, in respect to a new scheme of arrangement. On May 3, Mr. Symington told the meeting, Royal Securities for and on behalf of the Hearst Corp. made an offer, which was summarized as follows:

Royal Securities Corporation would cause contracts to be entered into between Price Brothers and Hearst Corp. providing for the purchase of the following tonnage of newsprint:

(1) 5,000 tons a month for the balance of 1934.

(2) 25,000 tons a year for each of the years 1935 and 1936 plus any excess tonnage which Hearst Corporation has at its disposal during those years and which it is expected will be considerable.

(3) On January 1, 1936, 160,000 additional tonnage, and

(4) On January 1, 1938, additional tonnage up to the complete capacity of the mills. The price to be paid for the tonnage, stated Mr. Symington, would be the average market price in the various zones of the United States where the paper would be delivered as charged by the leadining newsprint companies, to be named, and would be without commission or discount of any kind.

Contracts to 1953

The duration of the contract for paper would be for the life of the bonds as determined by arrangement with the bondholders, and in any event until 1953. The contract would be assigned to the Bondholders Trustee as security for the bonds. From this market price, Price Brothers would agree to earmark $2 per ton if the price would be $45 or lower; $3 a ton if above, for the following purposes: First to retire any second mortgage bonds that might be issued in accordance with the underwriters' proposed agreement to take up 6½ per cent second mortgage bonds to an amount up to $3,000,000 as needed to meet interest charges on the first mortgage bonds. To the creditors, the Hearst offer would give certificates of indebtedness for liquidated claims limited to $2,500,000, bearing interest rate of 5 per cent per annum, no dividends to be paid to shareholders until certificates retired. To the preferred, the offer, in brief, provides for a cumulative 3 per cent dividend until the first payments falling due in 1938, when the preferred shares would have restored to them all their present attributes. The offer to the common provides, among other things, for the surrender of 50 per cent of the number presently outstanding, which 50 per cent would go to the underwriters in return for the contracts mentioned above.

Modify Original Plan

In the course of his remarks, Mr. Symington outlined his negotiations with the Hearst interests, and made it clear that he had sought their co-operation, not they who had taken the initiative. The result of his first conversations with them was the offer outlined above, he stated. Subsequently, he added, there developed an objection to turning over more than 51 per cent of stock to one holder, so in order to meet that objection, he advanced, as an alternative plan, after securing the Hearst interests approval, an offer to take over one unit of the property, instead of 51 per cent of all the property. Accordingly, on May 14, the Royal Securities Corporation made to Hon. Gordon Scott an alternative offer, which might be summarized as follows:

To purchase the company's four machine newsprint mill known as the River Bend Mill, plus machinery, etc., together with wood supply of 2,500 square miles, also the assignment of the Duke-Price Power contract, all for a consideration of $12,000,000 payable at the rate of $600,000 half yearly. Certain conditions re agreement of Price Brothers to supply wood to purchaser at cost, provision by contract, not exceeding $40,000 per annum, etc., to be attached.

Care for Funded Debt

Mr. Symington emphasized the benefit to the company of selling for a sum sufficient to liquidate its funded debt a mill that it had not built until after it had contracted that funded debt. Under such an arrangement, he pointed out, the balance of the property, of a value of at least $20,000,000 remained for the shareholders. "This agreement," he summarized, would provide for taking care of the funded debt, would also provide for the Duke-Price contract and a liability of approximately $870,000 a year for the next few years, and after that for a considerably less sum, for excess mill capacity of Price Brothers, would be converted into an annual cash receivable of $1,200,000. The power contract goes with the River Bend mill and the Kenogami has its own power. With respect to the creditors, the shareholders should then agree that no dividends would be declared or paid until all claims had been discharged. Mr. Symington concluded with a request that, taking for granted the defeat of the company's plan, steps should be taken, and immediately, by the responsible parties to accept his offer, then to approach the bondholders' committee and ask them to do even less than they are now doing, paying them their full interest to date, the creditors to get their money very quickly and the shareholders' equity to be totally preserved.

Collis States Objections

R. H. Collis, of Kitcat and Aiken, London, England, chairman of the preferred shareholders' protective committee, made known his views. Mr. Collis opened his remarks with a reference to the modifications which his committee had sought to have effected in the company's scheme, but the committee, he said, had met with a "flat refusal." Mr. Collis went into the company's capital structure and asset position at some considerable length. He analyzed the balance sheet and made calculations in support of his committee's stand that the bonus of common stock to be given to the underwriters in accordance with the present plan, that is, two thirds of all outstanding, would be excessive, being valued by him, in the light of his interpretations of the proposed new set-up, at as much as $3,000,000. While using certain figures on net asset value already adduced by Mr. Symington, such a bonus, Mr. Collis proceeded, would be conservatively valued at at least $9,000,000. Underwriters securing two thirds of the equity, with such a potential valuation, should surely be willing to concede such minor modifications as the preference committee had sought. Mr. Collis then went into the position that would result on given earnings at certain levels over a period quoting from a memorandum supplied by Hon. Gordon Scott. Hon. Mr. Scott had informed him that it would take "a couple of years" to get Price Brothers back on its feet, and that earnings under fairly normal conditions should amount to $2,500,000. At such a level, Mr. Collis showed, present preferred dividend would be covered in full, after all prior charges, including sinking fund and depreciation, and leave an amount of approximately $228,000, or say 50 cents a share, on the common.

Mr. Collis reiterated his belief that the company's refusal to concede the committee's requested modifications was unwarranted, and he went on to add that his committee had studied the Hearst plan, and found it more advantageous than that provided for in the company's scheme of arrangement.

Says Wool Outlook For 1934 Is Fair

Prospects of a reasonable wool market are fair, according to a summary of opinions, compiled by H. O. Powell, Regina, vice-president and general manager of the Dominion Agricultural Credit Co., Ltd.

In a letter to those interested in the Agricultural Credit Company's operations, Mr. Powell points out that the Canadian Co-operative Wool Growers' Association is advancing eight cents a pound on range wool, and six cents a pound on domestic wool. He refers to the last issue of "The Sheepman," in which L. A. Kauffman, an authority on the wool business, states:

"Statistically, wool today is in just as favorable a position as it was a year ago. Stocks on hand are very meagre. Some reduction in the domestic clip and also in the world clip is expected."

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Golf Club Committees

SUPERINTENDENT OR MANAGER will be open shortly for new appointment. Old Country experience; mainly in building and maintenance of links and extensive gardens connected therewith. Five years in Canada in charge of estate work now approaching completion. Highest references; yearly employment; $100 a month and house. Box 12, The Financial Post, Toronto.

WANTED

Used Wide Carriage Typewriter in First-Class condition. Must be 18" or larger. Give make and serial number to Box 304, The Financial Post, Toronto.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

DIVIDEND NOTICES

Belding-Corticelli

DIVIDEND No. 33

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1%, payable on the 1st day of August to Shareholders of record at the close of business the 16th day of July, 1934.

By Order of the Board,

D. F. POLLOCK, Secretary.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending June 30th, 1934, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Thursday, the 5th day of July, 1934, at 4 o'clock p.m. and payable on Saturday, the 14th day of July, 1934.

By order of the Board.

PATRICK DUBEE, Secretary-Treasurer.

Thursday, June 28th, 1934.

Canadian Bronze Company Limited

THE quarterly Dividend of 1¾% on the PREFERRED STOCK of the CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of August, 1934, to Stockholders of record as of the 20th day of July, 1934.

Also a quarterly Dividend of Fifteen (15c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending July 31st, 1934. Payable the 1st day of August, 1934, to Stockholders of record as of the 20th day of July, 1934.

By Order of the Board,

W. C. PAQUETTE, Secretary.

Montreal, P.Q.
June 29th, 1934.

Merland Oil Company Of Canada, Limited

Dividend No. 3

NOTICE IS HEREBY GIVEN that a Dividend of Five (5) cents per share has been declared upon the issued and outstanding Capital Stock of the Company, payable on July 31st, 1934, to Shareholders registered on the Books of the Company on July 15th, 1934.

Transfer Books of the Company will be closed from July 15th, 1934 to July 31st, 1934 inclusive.

By order of the Board.

JOHN FORBES, Assistant Secretary.

227 Examiner Building, Calgary, Alberta.

Hardwood Sales Doubled

An increase of 100 per cent in sales of Canadian hardwood to Great Britain for the first three months of this year, was reported by K. G. Fensom, of the Canadian Hardwood Bureau, Ottawa.

DIVIDEND NOTICES

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1934.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1934.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 6th day of August, 1934.

By Order of the Board.

C. B. ROBINSON, Secretary-Treasurer.

Montreal,
June 26, 1934.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 37

A DIVIDEND of Twenty Cents (20c) per share, being at the rate of 80c., per annum, on the no par value COMMON STOCK of Southern Canada Power Company, Limited, has been declared for the quarter ending July 31st, 1934, payable August 15th, 1934, to shareholders of record at the close of business on July 31st, 1934.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, June 22nd, 1934.

UNITED GOLD EQUITIES of Canada, Limited

Notice is hereby given that the Board of Directors has declared a quarterly dividend of 2½ per cent, plus a bonus of 2½ per cent, payable on all the outstanding shares of the Company on July 16th, to shareholders of record July 10th, 1934.

FRANK H. SKELTON, *Secretary-Treasurer.*

Maple Leaf Milling Company, Limited

(Incorporated under The Ontario Companies Act)

NOTICE OF ADJOURNED MEETING OF HOLDERS of FIVE AND ONE-HALF PER CENT. FIRST (CLOSED) MORTGAGE TWENTY-YEAR SINKING FUND GOLD BONDS

NOTICE IS HEREBY GIVEN that the Meeting of the Holders of the Five and One-Half Per Cent. First (Closed) Mortgage Twenty-Year Sinking Fund Gold Bonds of Maple Leaf Milling Company, Limited, issued, secured and outstanding under Deed of Trust and Mortgage made as of 14th August, 1929, and Deeds supplementary or ancillary thereto (herein collectively referred to as the "Trust Deed") called by the undersigned Trustee pursuant to notice received from Maple Leaf Milling Company, Limited, to be held at the Royal York Hotel, Front Street, Toronto, Canada, on the 28th June, 1934, at the hour of 11 o'clock in the forenoon, Daylight Saving Time, was, in accordance with the provisions of the Trust Deed, adjourned for 21 days for lack of the quorum requisite under Subclause (12) of clause 45 of the Trust Deed for adoption of the extraordinary resolutions for which purpose the said meeting was called, and shall accordingly be held on the 19th day of July, 1934, at the hour of 11 o'clock in the forenoon, Daylight Saving Time, at the Royal York Hotel, Front Street, Toronto, Canada, and that if at such adjourned meeting a quorum as defined in Subclause (12) of Clause 45 of the Trust Deed is not present, then those bondholders who shall be present shall be a quorum and may transact the business for which the meeting was originally convened.

Copies of the Notice calling the Meeting for the 28th of June, 1934, and copies of the Scheme for Reconstruction of the Company referred to therein, forms for deposit of Bonds for voting purposes, forms of proxy and other information may be obtained by Bondholders upon application to any of the following offices of The Royal Trust Company:

TORONTO—59 Yonge Street;
MONTREAL—105 St. James St. W.;
QUEBEC—58 St. Paul Street;
HALIFAX, N.S.—Duke and Hollis Sts.;
SAINT JOHN, N.B.—54 Prince William Street;
OTTAWA—128 Wellington Street;
HAMILTON—1 Main Street W.;
WINNIPEG—436 Main Street;
CALGARY—115 8th Avenue West;
EDMONTON—10039 Jasper Avenue;
VANCOUVER—626 Pender Street West;
VICTORIA—1202 Government Street;
LONDON, ENGLAND—Kinnaird House, 1 Pall Mall East, London S.W.1;
or at the Agency of the Bank of Montreal, 64 Wall Street, New York, N.Y.

Dated at Toronto this 28th day of June, 1934.

THE ROYAL TRUST COMPANY, Trustee.

Governor's Trip To Hudson's Bay Is Innovation

P. Ashley Cooper, Governor of The Hudson's Bay Co., spent an active week in Montreal, Ottawa and Toronto as a prelude to boarding the S.S. Nascopie at Montreal on July 7 to make the first trip ever made by a Governor to Hudson's Bay. This is the 265th voyage of a Hudson's Bay Co. supply boat through Hudson's Straits to posts of the company.

The first trip was made by the small ketch "Nonsuch" in 1668 when Captain Gillam sailed from London to Rupert's River where it enters James Bay.

On the present trip Canadian Mounted Police, missionaries, Government scientific explorers, and other passengers are being taken. A busy itinerary has been prepared for the Nascopie which will participate in five separate cruises. The Governor and Mrs. Ashley Cooper will do part of their trip to various posts by airplane.

The Nascopie between now and October 1 will cover 12,000 miles, make 25 calls and distribute supplies for 37 Government and trading posts.

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice

NOTICE is hereby given that a dividend of Ten Cents (10c) per share on the paid-up capital stock of the Company has been declared for the quarter ending June 30, 1934, payable July 16, 1934, to shareholders of record June 30, 1934.

SHARE WARRANT holders will present Coupon No. 24 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.

E. M. STRAIN, Secretary.

Grain and Milling in Canada

Wheat

From Our Grain Correspondent

Weakness at Winnipeg

WINNIPEG. — The Winnipeg wheat market has been reflecting to some extent the weakness that has developed in Chicago wheat. The latter weakness has been somewhat surprising, for although it was for a time assumed that improved weather conditions might increase the crop there from 500,000,000 bus. estimated by the Government, most recent private estimates are little in advance of that figure. The winter wheat crop, however, is coming off very early, and marketings of new wheat are larger than the market can absorb without some considerable recessions from earlier price figures.

In addition, speculative interest is switching to some extent from wheat to corn, for although the latter may still produce a fairly good crop, a large crop seems out of the question, and continuation of heat and drought a short time longer in some districts might much reduce present possibilities. The very short production of oats and hay increases the importance of any shortage in the corn crop. The market in that grain is assisted by the fact that large quantities of corn on farms are tied up under government seal as security for advances to farmers, and although prices have now reached a point at which farmers could sell the corn and pay off their loans, they are under no great incentive to sell.

* * *

Price Rise Foreseen

CLOSE observers see better prospects for United States wheat prices within the next two months, when present pressure of winter wheat marketings relaxes, and the shortage of hard spring wheat in the Northwest becomes evident, and such a condition may have a sympathetic effect in world markets.

* * *

Market for Durum

PROBABILITY of United States demand for Canadian Durum wheat is now being discussed, for supplies of that type of wheat will fall far short of meeting the ordinary demands of the macaroni manufacturers in the United States. Import of Canadian bread wheat seems somewhat less likely now, as the southwestern wheat is proving to be unexpectedly high in protein content, which offset the fact that available quantities of hard spring wheat will be much less than usual requirements.

* * *

Wheat Shipments Heavy

WORLD wheat shipments last week were fairly substantial at 10,750,000 bushels, but this was due to heavy shipments from both Argentina and Australia, aggregating over 6,000,000 bushels. Northern American shipments at less than 3,500,000 bushels were disappointingly small, in relation to earlier expectations, reflecting the limited purchases of Canadian wheat due to the premium prices at which it is held in comparison with other wheats.

* * *

Yield Estimate

A POSSIBLE outturn of 350,000,000 bushels of wheat in Western Canada is beginning to be freely mentioned in market circles. Although no reliable estimates are possible at this date, that figure can be mentioned as that which is at present discounted by the market. Assurance of a larger outturn, which is of course possible, would be construed as bearish, while the prospect of a smaller yield would be construed as bullish.

July opened with comparatively small deliveries of less than 4,500,000 bushels of wheat through the clearing house. This was all No. 2 Northern, as the 1 Northern maintains a slight premium over the delivery basis.

* * *

Australian Acreage Down

CONSIDERABLE reduction in Australian wheat acreage is now confirmed, and also expectation of a comparatively small crop due to unfavorable weather conditions. But it will be some time yet before any reasonable calculation of southern hemisphere results can be made, as seeding has not long been concluded in Australia and the Argentine.

* * *

Wheat Agreement Position

PRIME MINISTER BENNETT'S declaration that Canada will abide by the London Wheat Agreement is not taken by observers to mean that Canada will export next year no more than the 265,000,000 bushels provided for in the agreement. Calculations are now being made to the effect that Canada may be called on to supply 300,000,000 bushels of wheat during the coming year, and traders bear in mind the provision of the agreement that allows extra requirements of the world markets to be shared between Canada and the United States, which latter country will not be able to furnish its share.

DAMAGE BY HAIL TO PRAIRIE CROPS IS FAIRLY HEAVY

Insurance Carried Has Been Greatly Reduced in Recent Years

From Our Own Correspondent

WINNIPEG.—A good deal of hail damage has already occurred in each of the three Prairie provinces, and some crops that looked extremely promising have been absolutely cut down.

Farmers are insured against hail to a much smaller extent than was formerly the case. Low grain prices, making prospective crops less valuable, have been the principal reason, and coupled with this has been the inability of farmers to raise the cash premium. Insurance agencies were formerly glad to take notes in payment of hail premiums, a practice they found unprofitable to continue, as a debt for expired insurance was usually one of the last to be chosen for payment when a farmer's income was not sufficient to go round. In addition hail damage has been proportionately lighter than usual during recent year, almost necessarily so in years when much of the country was afflicted with drought, and large districts were for a long time without enough moisture to produce a hail storm.

Reduced Volume

Consequently although some years ago taking out hail insurance might have been routine procedure with a large number of farmers, perhaps the bulk of policies written in recent years have been when landlords, vendors, or creditors advanced the money for premiums in order to cover their interest in various crops.

Recovery from hail damage sometimes takes place, when the storm is experienced early in the year, for the roots of the grain are left, and endeavor to push up new shoots. Occasionally a crop may be harvested from fields thought to be totally destroyed, but this is comparatively rare, and as a rule the best hope is that growth may be sufficient to enable a crop to be cut for feed.

Aggregate Loss Small

Distressing as are hail losses when the plight of the individual farmer, and sometimes of a whole district, is considered, it does not as a rule cut down the total production of western Canada to an important extent. The very weather that turns moisture into a distructive agent on some farms is likely to cause heavy rainfall on other farms, and the likelihood is for hail damage to be recorded as worst in years when total production of grain is highest.

Enquiries at insurance offices show that an increasing number of hail policies are now being written, although buyers are keeping down the cost of protection by insuring for only small amounts per acre. In the case of hail damage the insurance company is not concerned with the amount of cash loss to the farmer. He sets his own value per acre on his crop, and in former days sometimes greatly over-insured, and if his crop is totally destroyed gets paid the whole sum. If damage is only partial, the percentage of crop lost is calculated, and a proportionate amount is paid of the sum agreed on.

Canadian International Trustee Pay Dividends

From Our Own Correspondent

MONTREAL.—General Trust of Canada announces that a distribution of $0.09441 per share will be made on July 1, on all bona fide certificates and a distribution of $0.094669 per share on all original certificates actually outstanding, of Canadian International Trustee shares.

These amounts represent regular and extra cash dividends paid for the six months period by the corporation, whose common stocks constitute the fixed portfolio, plus the interest on the reserve fund and adjustment on United States exchange.

Distribution coupon No. 8 will be payable on and after July 1 next.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, June 29	55,915,904	57,516,424	58,947,405
Country elevators, June 22	79,898,578	82,776,747	82,509,029
Total, all points, June 22	184,256,761	196,626,562	195,928,364
World Shipments, incl. flour:			
North American, June 25	4,541,000	3,912,000	4,504,000
Argentine, June 25	2,881,000	3,735,000	4,424,000
Black Sea,* June 25	....	....	....
Australian, June 25,	2,612,000	1,236,000	992,000
Total, world, July 2	10,750,000	10,482,000	10,136,000
Canadian Visible, June 26	101,073,000	99,158,000	99,510,000
Country Marketings and Exports:†			
Canadian exports, June 22	2,585,609	3,858,973	3,564,483
Cum. to June 22 (47 weeks)	139,981,789	136,396,180	209,592,939
Prairie marketings, June 15	2,932,593	3,714,036	5,274,680
Cum. to June 15 (46 weeks)	211,685,529	208,752,936	341,890,360
Country deliveries, June 27‡	3,377,000	2,817,000	4,054,000
Country loadings, June 27‡	6,690,125	5,434,325	7,022,102

*Includes South Russia †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to July 3, 1934

Crop year from Aug. 1, 1933 High	Low		Open June 27	High for week	Low for week	Close July 3
		Wheat				
.85¼	.62⅞	July	.76¼	.77⅜	.75¼	.75⅜
.87¾	.68⅞	Oct.	.78	.79⅝	.77⅜	.77¼
.83	.78⅛	Dec.	.79	.80¾	.78½	.78¾
		Oats				
.40¼	.30⅞	July	.37¼	.38⅜	.36⅝	.36⅜
.41¼	.32¼	Oct.	.36¾	.38⅝	.36⅛	.36⅝
.38½	.35⅝	Dec.	.36⅝	.38⅛	.36¼	.36⅜
		Barley				
.46¼	.35	July	.44	.45¼	.42⅝	.42⅝
.48⅜	.37¼	Oct.	.45¼	.46¼	.43¼	.43¼
.47⅛	.44½	Dec.	.45½	.47⅛	.44⅞	.44½
		Flax				
1.74	1.39½	July	1.57	1.61	1.53½	1.54
1.75	1.40	Oct.	1.62	1.63½	1.57	1.57½
1.65	1.55¾	Dec.	1.61	1.63¼	1.55½	1.56¼
		Rye				
.58	.41⅜	July	.54½	.58	.53⅜	.53⅜
.59⅜	.43⅜	Oct.	.56	.57⅜	.55⅝	.55⅜
.59⅛	.56⅛	Dec.	.57½	.59⅛	.56⅛	.57⅛

June Crop Improvement Revives Faith In West

Grasshoppers, Frost, Rust, Too Much or Too Little Rain May Yet Greatly Reduce Crop, But Outlook for Many Areas is Excellent

From Our Own Correspondent

WINNIPEG.—It may be doubted if any month in the history of Western Canada has ever affected such a notable change for the better in the prospects for the country as did the month of June. Hot and dry weather in May had brought a large part of the country to the very brink of disaster. Cool and wet weather commencing practically on the first of June and continuing throughout the month has brought the promise of abundant feed to practically all the west, has given an outlook for partial crops to districts where a month ago any production this year seemed virtually impossible, and over much of the country has left the crop and the land in splendid shape.

To a tremendous extent faith in Western Canada and hope for the future have been revived. The long drought which affected much of Saskatchewan since 1929 appears to have ended definitely almost exactly five years after it began. While many of the troubles of the West during recent years have been due to low prices, many have also been due to the lack of production in the drought district, illustrated by the 30 million dollars which the Saskatchewan Relief Commission has spent, most of it in giving assistance to people on the land, and furnishing food and feed for livestock which the land failed to produce. Not only feed for livestock was lacking in these areas but also water for them. On thousands of farms the very limit of endurance had been reached when conditions changed for the better, and permanent abandonment of farms and homes was in prospect.

Not Easily Overcome

The damage of the drought years, and of unfortunate May conditions, is not to be overcome at once by a single month of favorable weather. High crop yields over much of the south country must be regarded as impossible this year, for years of drifting has impaired the quality of the top soil, and the bad start of May resulted in a stand of grain that in many places is thin and short. Some grain was forced by the hot weather into comparatively early maturity, while some was so slow in starting growth that it will need an exceptionally long growing season to give a grain crop that can be satisfactorily harvested.

Grasshoppers are an extremely doubtful factor. Farmers generally, even in the districts worst infested, are much less apprehensive than earlier in the season. Undoubtedly the thousands of tons of poison bait distributed have killed off many, while others have been drowned by rain. The majority of them have been comparatively quiescent during the past month, neither eating nor growing to any great extent. But no one knows yet whether their vitality has been permanently impaired, or whether a period of hot dry weather may not start them off on destructive ravages. The crop has a big start on the grasshoppers, and quite conceivably much of it may be safely cut before the insects reach their full growth and maximum capacity for feeding, while plentiful growth of grass may keep them from being tempted by the tougher grain.

Alberta Conditions Best

Alberta continues to be the province with the best prospects. Farmers in large parts of that province feel that they might have a fair crop even if no more rain should be received. Grasshoppers are comparatively less dangerous there than in Saskatchewan, and rust is not a danger much feared in Alberta. The south country is often troubled by killing frosts, although much of the central and northern parts of the province has reason to fear frosts that sometimes come at critical moments in the ripening stage.

Northern Saskatchewan is well supplied with moisture, but in the central and southern portions there are some districts which have been missed by heavy rains. In Manitoba conditions in the extreme southwest of the province are poor so far as outlook for production of cash crops is concerned, and there is a fairly large strip in the central part of the province where precipitation has been unaccountably light, in comparison with areas east and west.

Expect Plenty Feed

All told there is every reason to hope that the west will produce a supply of feed this year ample for a year's requirements, and in addition to restore depleted reserves, and a crop of wheat which while likely to fall somewhat short of average yield per acre, will still be of substantial size. That is as near as any crop prediction can get at this time of year, for the old tradition in crop reporting is that "crops always look good at the end of June."

LOWER GAS SALES OF N.W. UTILITIES BUT SURPLUS UP

Working Capital Deficiency Lower—Company Wins Suit

Gas sales of Northwestern Utilities for 1933 at $1,002,932 were down less than 10 per cent from 1932 totals but net profits at $127,279 were down about 30 per cent. Cost of production was lower and other items were down enough to permit the company to increase its surplus from $360,931 to $389,608.

Income and Surplus Account years ended Dec. 31

	1933 $	1932 $
Gas sales	1,002,932	1,098,208
Less: Discount, etc.	43,404	44,274
	959,528	1,053,934
Less: cost of prod.	458,525	462,445
Amort. res.	191,220	185,578
Bond interest	186,835	215,435
Other interest	4,615	4,095
Net profit on gas sales	118,333	186,381
Add: other income	8,946	7,554
Net profit	127,279	193,935
Less appropriations:		
Prior pref. divs.	*52,524	52,524
8% pref. divs.	*60,000	120,000
Surplus for year	*14,755	21,411
Add prev. surplus	360,931	339,169
Prior year adjust.	*13,922	7,930
Less adj. prev. year	......	7,579
Bal. carried forward	389,608	360,931

*Calculated, figures not shown.

The working capital deficiency was somewhat lower as the following table shows:

Working Capital

	1933 $	1932 $
Current assets	159,072	155,680
Current liabilities	267,525	322,259
Working capital	*108,453	*166,579
Ratio	0.59—1	0.48—1

*Excess of current liabilities over current assets.

Reduced Bonds Materially

Of the company's fully paid issued shares 60,000 no par value ordinary shares are shown as issued for a consideration valued at $550,000, and there are outstanding 8,754 $100 par value six per cent redeemable cumulative participating prior preference shares as well as 15,000 $100 par value redeemable cumulative preference shares. Dividends on the 8 per cent shares have not been paid since June 1, 1933.

By the operation of the sinking fund the original issue of $4,000,000 first mortgage seven per cent sinking fund bonds has been reduced to $2,450,700.

Cases Pending in Courts

Judgment has been given in favor of the company with respect to $319,579 shown as a contingent liability in the last balance sheet because of claims re fire at the Corona Hotel. The suit was entered by insurance companies. The statement of claims filed by guests of the hotel amounted to $26,114. Another suit for $25,000 has been entered against the company by Security Holdings on a claim for damages due to the failure of the company to carry out provisions of contract.

Property and rights of the company are shown at $6,925,944 including $10,162 added during the year, but after deducting amortization of $79,008 matured in 1933. There is an amortization reserve against this of $1,148,174 of which $552,000 is calculated as having been invested in this expenditure and the balance as having been applied toward bond sinking fund payments in 1933 and preceding years.

Accounts payable were shown at $170,016 in the balance sheet at the end of 1933 but within 90 days the company was obligated to contribute $167,356 to the sinking fund as the percentage of gas sales required. The accounts payable included a loan of $42,500, secured, from the Royal Bank. It has an amount of $96,324 due from Canadian Western Natural Gas, Light Heat & Power Co., an affiliated company. It has also an account against Century Indemnity Co. for $46,322 claimed August, 1933, to recover damages under indemnity policy.

Think Prairie Business Due For Big Expansion

The Prairie Provinces offer possibilities for increased business during the next 12 months, according to the June sales and collection report of the W. Sanford Evans Statistical Service, Winnipeg. During the past year, it is pointed out, the Prairies have lagged behind the rest of Canada in recovery chiefly owing to low prices for agricultural produce and to the fact that 1933 crop was the smallest in the past ten years.

Current outlook is that these depressing factors will show improvement. Wheat prices showed considerable improvement during the May drought and, although crop prospects have been greatly improved, the higher level has continued. If this improvement is continued until after harvest time, the outlook will be bright.

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Your Investments

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Gatineau Power

I am interested in the Gatineau Power Co. and would like your report on the company's ability to meet its charges in connection with the first mortgage bonds.

Gatineau Power Co. controls valuable hydro electric power developments on the Gatineau River, as well as controlling interest in the St. John River Power Co., operating in New Brunswick. The major share of Gatineau Power's output is marketed with the Ontario Hydro Electric Power Commission. The balance of its power, which is sold in bulk, goes to Canadian International Paper, Canada Cement, E. B. Eddy Co., Ottawa Power Co., Gatineau Electric Light and other users.

It is estimated that the income which Gatineau Power Co. receives from its contract with Ontario Hydro Electric Power Commission is sufficient to take care of all operating expenses, plus the interest on the first mortgage bonds. The balance of the revenue which is about equal to that received from Ontario Hydro, goes toward depreciation charges, interest on the debentures, etc.

Reliance Grain

Will you kindly let me have a report on Reliance Grain? I am anxious to know whether or not the company will continue paying dividends on its preferred stock.

While the Reliance Grain Co. did not earn its preferred dividends in the fiscal years 1932 and 1933, we are given to understand that the financial statement for the year ending July 31 next will show bond interest, depreciation and the preferred dividend earned. This would indicate an improvement of approximately $105,000 in the earning power of the company over the past twelve months.

Dividends have been paid regularly to date and in view of the reported good showing made for the 1933-34 year, it would appear that the management will continue its present policy of paying the preferred dividend.

General Steel Wares

I hold a few shares of common stock in General Steel Wares and not having heard of any recent developments, would like to have a report from you on this company.

Over the last twelve months operations and earnings of General Steel Wares have shown a marked improvement. The financial statement for 1933 shows that the company was within striking distance of covering its bond interest. During the current year, sales have shown a consistent increase over those reported for last year and expectations are that bond interest will be covered by a comfortable margin during 1934.

The common stock of this company, of course, continues to be speculative. The management is steadily reducing the outstanding funded debt and building up a greater equity behind the preferred and common shares. There does not seem to be any possibility of a dividend being paid on the capital stock for some time to come.

Montreal Exhibition

My brother holds stock in the Montreal Exhibition Co. Can you tell me whether it has any value and what are the prospects for the future?

Montreal Exhibition Co. has made little or no progress in the last year or two. Earning power is negligible, and, at present, its stock is quoted on the Montreal Curb Market at about 50 cents a share.

The outlook for the company does not appear promising but in view of the fact that you can only secure about 50 cents a share, it would seem that little is to be gained by selling at this time.

Restigouche

It would be appreciated if you could let me have a report on Restigouche Co. and the possibility of the company paying interest on its bonds this year.

The operating position and earnings of the Restigouche Co. have undergone a marked improvement over the last twelve months. The company is now experiencing a good demand for its pulp products and expectations are that earnings during the current year will show a substantial improvement. It is rather doubtful if the company will pay any interest this year. The management is likely to take the stand that working capital should be built up before the company begins to meet its obligations in respect to funded debt. The present issue of Restigouche bonds occupies the same position as the original issue.

Ford of Canada

I would like to have your opinion as to outlook for the remainder of the year of Ford of Canada. It would appear to be at levels now which largely discount this year's possible earnings, I would like to know what its prospects are and of possible increase in dividends.

There has been a great improvement in sales this year over last and it is therefore quite probable that the results of the year will show considerable improvement. Whether or not it will put the company in a position to continue its dividends from earnings at anything like old levels is difficult to say. It is evident that other companies are making also a strong bid for the business and the Chevrolets are contending for leadership in sales with Ford. Nevertheless, Ford is in an exceptional position, both as to financial strength and as to products to do well in a time of improving business when people are able to buy cars in volume. At the present moment the company's plants at East Windsor are very busy. All travellers from that point give the same testimony. Last dividend was not from current earnings as 1933 showed loss.

Duke-Price Power

I am holding two bonds of the Duke Price Power Co. I have been told that the position of this company has weakened over the past year and would like to have your views on this point.

The financial statement of Duke-Price Power Co. for 1933 did not indicate any weakening in the position of the company's first mortgage bonds. The revenue last year was sufficient to cover bond interest before depreciation 1.75 times and 1.44 times after depreciation. During 1932 interest was earned 1.72 times before depreciation and 1.42 times after depreciation. The equity back of the first mortgage bonds increased from $1,748 in 1932 to $1,752 in 1933, per $1,000 of bonds.

The market value of this company's bonds was affected by the troubles of Price Bros. and Co. which had entered into a long-term contract with Duke-Price Power Co. to take 100,000 h.p. per annum. Last year Price Bros. and Co. failed to live up to the terms of its contract and for a time it appeared as if the Duke-Price Power Co. were going to lose this business. Under the present plan of reorganization for Price Bros. and Co., in which the Duke-Price Power Co. has a substantial interest, provision is made for a continuance of a satisfactory power contract between the two companies. This plan, if approved, will eliminate one of the principal weaknesses in the position of the bonds.

Manitoba Power

Will you please let me know if the first mortgage bonds of Manitoba Power Co. are regarded as a high-grade investment? I have heard that this company is somehow involved with Winnipeg Electric Co. and would like to have your opinion on this point.

Manitoba Power first mortgage bonds cannot be regarded as a high-grade investment until affairs of Winnipeg Electric Co. have been straightened out. The latter holds a controlling interest in Manitoba Power, as well as Northwestern Power and other utilities in the Winnipeg field. The parent company failed to make good its guarantee of interest and principal on the Northwestern Power bonds. In addition it has had some difficulty in meeting charges on its own funded debt. At the moment plans are being worked out for the reorganization of Winnipeg Electric Co. This will undoubtedly involve Manitoba Power, Northwestern Power and the other units. Just how Manitoba Power will fare under this reorganization it is impossible to say at this time.

Can. Inter. Paper

The financial statement of Canadian International Paper for last year shows that the company had a deficit. Does this mean that the company is likely to pass the interest on its bonds?

While the income account of Canadian International Paper Co. for 1933 shows that there was a deficit after all charges, there is no indication of the company defaulting interest on its first mortgage bonds. Examining the financial statement you will note that there has been a large amount written off for depreciation. This is really a book charge and does not affect the cash position of the company. Accordingly you will see that the amount available to take care of bond interest and other cash payments, is sufficient to take care of all charges.

In connection with the earning power of this company, there is a possibility that the newsprint manufacturers will be able to secure an increase in the price of their product toward the end of the year. If they are successful in accomplishing this, it will have an appreciable effect on earnings and will further strengthen the ability of the company to cover its interest charges.

Champlain Oil

I have been considering purchasing some of the Champlain Oil stock which I note is selling around 7. Can you tell me if the company is paying its dividends?

Champlain Oil Co.'s senior stock is now selling around 8¾ to 9, while the dividend amounts to 60 cents a share. This company, as you probably know, is a local distributing organization in Montreal. It has a contract for the supply of oil and gasoline with three of the larger refineries, on a basis which the management claim will give them a very satisfactory profit. Earnings of the company, since this contract was entered into, have shown a steady increase and it is understood that the dividend is being earned by a fair margin.

Canada Biscuit

I am offered some defaulted bonds of the Canada Biscuit 6½ per cent, due 1946 with stock attached. Would you give me what information you have to offer on these?

Canada Biscuit Co. has not made public its balance sheet and earnings statement since 1925. Despite this, however, and without presenting a statement, the company has recently requested prior lien bondholders and first mortgage bondholders to make important concessions concerning sinking fund and interest. The bondholders' meetings have now been postponed to Sept. 24, without a decision. It is understood that the reason for the postponement is that the prior lien holders asked for the adjournment because they desired to consider the proposed concessions at their leisure.

Earnings for 1933 were understood to have been much improved over those of 1932. However, since a 1932 statement was not issued, this is not very informative.

Canada Biscuit Co. had an outstanding issue of $300,000 of six per cent prior lien bonds in 1932. There was also $1,790,500 of 6½ per cent first mortgage bonds, due 1946, junior to the prior lien bonds, of an original issued amount of $2,200,000.

At the bondholders' meeting held on June 5, postponed to June 26, and now postponed to Sept. 24, prior lien holders were asked to make these concessions: no sinking fund payments to be made at all from May 1, 1934, to Nov. 1, 1935, inclusive, and none from May 1, 1936 to Nov. 1, 1938, inclusive, when net liquid assets are less than $650,000, and to agree to removing or destroying certain fixed assets at Edmonton. First mortgage bondholders were asked to waive until May 1, 1946, default of interest payment on Nov. 1, 1933, and to agree that no interest will be paid from May 1, 1934, to Nov. 1, 1935, inclusive, when net liquid assets as below $650,000, such postponed interest to bear eight per cent interest. The first mortgage bondholders were also asked to waive these defaults of interest until May 1, 1945, and to agree that no sinking fund payments be made until May 1, 1939, if net liquid assets are below $650,000, and also to agree to removal or destruction of certain fixed assets in Edmonton.

Naturally, it is considered unusual, and unsatisfactory to small bondholders that no financial statement was issued when the company was requesting these concessions. The price of the first mortgage bonds is approximately 20 bid, 25 asked. It is possible that bonds might be bought for less than 25.

By a reorganization in 1932 the preferred and common stock were cancelled and new stock issued, totalling 89,000 shares. Of this, 17,905 shares were allotted to the first mortgage bondholders on the basis of five new common shares for each $500 of first mortgage bonds. It was at the time of this reorganization that the prior lien bonds were created with the sanction of first mortgage bondholders.

Mersey Paper

Kindly let me have a report on the 6 per cent bonds of the Mersey Paper Co. Are earnings sufficient to cover interest charges?

Mersey Paper Co. has demonstrated its ability to maintain operations at capacity over the past two or three years, while other companies have operated on a much lower scale. The company, like all other newsprint operators, suffered from the low price of newsprint. With an advance in the price of paper, which is expected to take place toward the end of this year, Mersey Paper's earnings would be appreciably increased. Up to date the company has managed to earn all interest charges and has placed a substantial amount in the depreciation reserve.

Western Provinces

What are the relative merits of trust company debentures and western provincial bonds?

The principal of mortgage company debentures is usually payable over periods of two to five years. The investor in this type of security is generally expected to hold it until maturity as an investment for the entire period. However, provision for sale of such debentures may not be quite as satisfactory as the marketability of such securities as bonds of the western Canadian provinces. However, the debentures are always a good security for a loan and have been satisfactory investments for many years.

It is very difficult to appraise the position of the various western provincial bonds at present. For one thing, the credit of the various provinces differs. Alberta, Manitoba and British Columbia are in somewhat better financial esteem than Saskatchewan because the latter province has been hard hit by crop damage. Some authorities, however, feel that the provinces will pull through the depression, and will be able to support themselves without financial assistance from the Dominion Government within two years. On the other hand, there is considerable opinion which holds that the provinces will require to have the rate of interest on their securities lowered before they will be in satisfactory position.

Bonds and Debentures

Please tell me in simple language the difference between a bond and a debenture. I hold a debenture of the city of Calgary. Does the city also issue bonds? Is there an advantage in one over the other?

In this country the difference between a bond and a debenture is not clear even to experts, the two terms being so interchanged as not to be clearly definable. Calgary has both bonds and debentures outstanding, and its total debt might be referred to as funded debt, bonded debt, or debenture debt, all meaning the same thing: long term interest-bearing securities issued.

In England, debenture or debenture stock is a term used to designate a first mortgage bond. In the United States, and sometimes in Canada, the term is used to designate a second or third mortgage security as contrasted to a first mortgage bond. So the term may mean exactly the opposite in the various financial languages.

There is probably no advantage in Calgary's bonds over debentures or vice versa. Any advantage there might be in one issue over another would require a legal interpretation. For instance, one issue might be secured by tax levies on certain specific properties, which might be more advantageous than a bond secured by the city's general credit. Of course, there might be other advantages that are obvious, such as bonds payable in sterling and Canadian and American dollars as contrasted with bonds payable in Canadian dollars only.

Union Gas Co.

I am considering buying some stock of the Union Gas Co. of Canada, Ltd. Before so doing, I would like your opinion on this company's affairs. Its fiscal year ends March 31, and I thought possibly you would know what progress they had made during 1933 and 1934 in reduction of bank loans and in improving their general financial position.

I understand that they enjoy very capable management.

For the whole year ended March 31, 1934, Union Gas of Canada had decreased earnings in spite of increased sales as soon as industrial activities increased in the latter half of the fiscal year. The situation was further improved for the company and its subsidiary by the severe winter which meant that households used more gas for cooking and heating. Competition by solid fuels at lower prices prevented the company getting the full benefit of this expansion.

Special secured bank loans, which stood at $6,925,000 two years earlier had been reduced to $5,750,000 on March 31, 1934. A year earlier it stood at $6,475,000. During the year balances payable on mortgages and sales agreements were reduced from $210,113 to $170,000. Dropping dividends in 1932 on common was necessary and it will probably stay "dropped" until the situation as to bank loans, working capital, amounts payable on mortgages and sales agreements, and contingent liabilities with regard to United Fuel Investments contract of $180,000 and guarantee of Hamilton By-Products Coke Ovens, of $1,675,000 are in process of being looked after. The depression prevented adequate financing but as it is a promising business all these things may be looked after eventually on a more permanent basis than at present.

At the same time there is definite encouragement to shareholders in the statement of the chairman of the board, G. R. Cottrelle, that the time is approaching when dividend restoration may be seriously considered. But he also said there were balance sheet items in which the directors would like first to see improvement.

United Fuel

What can you tell me about United Fuel Investments Preferred listed on the Toronto Stock Exchange? I have been advised that it is attractive for both long and short term investments, and would be glad to have you advise me as best you can.

United Fuel Investments six per cent cumulative preferred stock of $100 par value is outstanding to the extent of $9,000,000. It has preceding it $775,000 of 6½ per cent general mortgage bonds due 1956 and is controlled by the Union Gas Co. of Canada.

United Fuel Investments is a holding company which, through its subsidiaries is engaged in the manufacture of coal by-products including coke, gas, sulphate of ammonia, motor benzol and tar and is also engaged in the distribution and sale of gas for industrial and household use. The company earned the six per cent dividend in 1929 and 1930, about half of it in 1931 and showed a declining scale of earnings in 1932 and 1933. We are referring to the years ended March 31 in each case.

The statement for the year ended March 31, 1934, showed considerable improvement in net earnings and working capital. Last winter this better rate of earnings came because of the continued activity industrially and the severe winter.

Dividends are not being paid and earnings last year were $2.73 a share and in the two preceding years there had been less than nothing available.

The company's subsidiaries, Hamilton By-Product Coke Ovens and United Gas and Fuel have also outstanding nearly $5,400,000 in bonds. The company's best earnings, as shown by late years, will be in periods of good industrial activity and will be accelerated by severity in the winter time.

General Television

Can you give me any information on General Television of Canada?

General Television of Canada was formed in 1933 by a group headed by U. A. Sanabria who, we understand, holds control. This man is the inventor of "Sanabria television" which is used chiefly, it appears, for exhibition purposes. The company for a time at least will depend on the curiosity of the public for revenue, we are informed. Nothing in the nature of a domestic receiver is contemplated for some time apparently. The company exhibits "television" pictures on a screen like a motion picture, and uses public curiosity to get revenue from commercial or exhibition organizations who wish to attract the public.

There is no market for the shares as far as we know. There is no information as to the company's earnings available yet. Mr. Sanabria's operations have been conducted mostly in the United States.

One of the difficulties with such early industries is that patents rapidly become obsolete. Large American corporations have gone in for development of television, and it is stated that new discoveries are putting the old out of date rapidly. The Sanabria developments may soon be obsolete.

Edmonton Building Active

Building permits in Edmonton showed an increase of $43,800 for the month of May, compared with last year. There were $96,640 in permits issued in May this year compared with $52,840 last year.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Middleman

IT FREQUENTLY happens in a large city that advertisements "cross" in different newspapers. On this picayune fact, it was recently revealed in Montreal, a man has been making, if not a living, at least pocket money.

The racket was exposed after a lady's purse had been found on the street by the son of a Montreal financier. The boy took the purse home to his father, who advertised it in the found column of a Montreal daily. The next day, a man telephoned and said he was speaking for a lady who had lost a purse. He described minutely the contents, some jewellery and a pay envelope. A few minutes after he had telephoned he appeared at the home of the financier, said he was acting for the lady, and was given the purse.

Later in the day a young woman telephoned, and also described minutely the contents of the purse, but was told a man had already collected it.

Frantic, she went to the police, satisfied them that she was the real owner of the purse, and told the following story. The day she had lost the purse, she advertised in a Montreal paper, not the one in which the "found ad." had been inserted. That evening, a man called her by telephone, and said that while he had not found the purse, a friend of his had. He asked if she could identify it. Innocently, she gave an exact description of what the contents were. She heard nothing more, but the next afternoon had seen the ad. of the financier in another paper.

The middleman had carefully read all newspapers, and noticed the similarity in the lost and found advertisements. He had telephoned the loser, found out what the purse contained, and armed with this identification, collected it from the finders.

Moral: Don't be too eager to disclose the contents of a lost purse or any valuable.

• • •

An Old One

FROM the same metropolis comes word of an old, old racket, older than the word itself, but dressed up in a slightly new form.

Meyer Richenbaum, strolling down the street, met up with a very casual acquaintance, walking with a complete stranger. The stranger asked Richenbaum where he could buy a ticket to Greece, stating he would pay $25 for the information. Richenbaum knew where the stranger could get the ticket, and saw no reason for not taking the $25 if the stranger was crazy enough to pay it.

But the stranger pointed out that he knew nothing about Richenbaum, and what was to prevent Richenbaum from taking the $25 and imparting unreliable information? Was, he asked, Richenbaum a man of means. Richenbaum was, and produced a bank book showing deposits of over $500. But the stranger was still chary. The money might not be in the bank. So Richenbaum took the stranger and his acquaintance to the bank, and drew out $500 without any trouble. The stranger, with amazing, scepticism took the money, to see if it was real. Satisfied, he apparently returned it, wrapping it up in a bill amounting to $25.

It was not until after the stranger had left, with Richenbaum's acquaintance, that the latter found the roll that had been returned to him, was a roll of paper, with $25 wrapped around it. Then it was that he remembered the stranger had left without even finding out how to get a ticket to Greece.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Bralorne Mines

Kindly advise me of the present earnings of Bralorne Mines. Is the mill to be increased to 500 tons daily?

Bralorne Mines is currently earning approximately $1 per share, in fact, Major Austin Taylor, president of the company, advised that earnings for the current year would be approximately $1,000,000. At the present time the mill is treating approximately 250 tons of ore daily, but by November or December the new mill addition will be at full capacity, bringing the output up to between 400 and 500 tons daily so that next year will see full advantage taken of the mill increase.

Stadacona Rouyn Mines

I should like to receive some information respecting Stadacona Rouyn Mines. Is there any work going on at the property at the present time?

Stadacona Rouyn Mines was incorporated in 1925 and since that time has been engaged in sporadically exploring its holdings, but principal interest centres about its Pelletier Lake property in Rouyn township, Quebec. Here a shaft has been sunk to a depth of 325 ft. Work has been intermittent owing to finances, but last summer some English capital was brought into the company and work was resumed. Recently, after a temporary shutdown, work was resumed when additional equipment was installed.

As at February 28, 2,500,000 shares out of the 3,500,000 shares authorized were outstanding. It is estimated that some $240,000 has been spent on the property to date. Recent work has been concentrated on the 300 ft. level with plans calling for sinking the shaft lower and exploring lower horizons.

Dome Mines

Do you consider Dome Mines a purchase at present prices as an investment over a term of years?

The question of purchase of Dome Mines shares at current prices for an investment to be held over a term of years is largely one of what yield can be expected and the possibilities of getting one's capital back before the mine is exhausted.

Dome is now in its 23rd year of production, with last year the best in its history from the standpoint of tons milled and ounces of gold produced. Likewise, earnings were at a higher level owing to the present price of gold. Earnings in 1933 amounted to $3.21 per share while dividends amounted to $1.95 per share. Earnings in the first three months of the current year were at the rate of approximately $4.75 per share annually. Taken on the basis of the ten per cent yardstick, this would give a permissible market valuation of $47.50 per share. All this, however, is promised on gold selling at $35 per ounce and without operating costs increasing in any way above those in the first three months of 1934. Without any other source of revenue it is, therefore, evident that the investor to get his money back plus six per cent yield on his investment must wait 17½ years.

Whether or not Dome's ore is sufficient for a further 17½ years no one can say, but it is known that ore developments have been of a most satisfactory nature in the last few years. At the end of 1933 estimated reserves were 2,025,000 tons or approximately sufficient for four years supply of the mill. This does not give the true picture, however, with respect to ore reserves as after 23 years of production they stand at the highest point in that period and the mining practice precludes carrying developments beyond an economic limit in the proving up of ore. Usually a mine with four years ore reserves is considered to be in a satisfactory position, providing the geological features remain favorable.

These items, therefore, all must be weighed in the balance in purchasing Dome shares at prevailing prices plus, of course, the essential matter of personnel wherein Dome management is recognized to have no superiors.

Wright-Hargreaves Mines

Would you be kind enough to give us a report on Wright Hargreaves Mines?

Wright-Hargreaves Mines has staged a steady come-back during the last five years, increasing its capacity from about 350 tons daily in 1929 to approximately 800 tons in 1933. In December last the mill-capacity was further increased to 1,000 tons daily capacity. Production in the first quarter of 1934 averaged 993 tons daily while the value of the bullion recovered was $1,155,462 with gold at $20.67 per oz. Earnings in the eight months period ended August 31, 1933, were equivalent to 28 cents per share on the 5,500,000 shares outstanding against dividend requirements of 20 cents.

We quote the above statistical position of the company to show the progress that it has made and what might be expected by way of production and earnings this year. Although the new mill has been only recently stepped up to 1,000 tons it is mooted that a further expansion to possibly 1,200 tons is under consideration. As at August 31 last the ore reserves were shown at approximately 1,000,000 tons valued at $13.75 per ton with gold at $20.67. This is equivalent to about three years supply at current milling rate and is about the average proved ore reserves reported by leading producers, it not being within the economic limits to develop ore much beyond this period. That developments are most satisfactory at depth is confirmed by the management and observers of the property, but it is not possible to state the potential ore. There has been no unfavorable change in the geological features and while operations have been carried to a depth of 4,000 ft., indications are that ore persists at the lowest minable depth. Having regard for the current selling price of the shares, it is obvious that they are discounting future earnings.

Based on production costs last year, indicated profit is about $11 per ton which gives a current earning rate of about 70 cents per share.

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READY FOR MORE DAIRY MERGERS

(Continued from page -)

effective check against attempts by rivals to buy up control of the company without the consent of the directing heads. Another contemplates special remuneration for all men from the humblest driver up who do specially good work. Eventually Mr. Silverwood hopes to evolve a scheme which will take care of any members of the organization who may be in distress.

Personal Salesmen

I asked him about the selection of men and particularly his salesmen and executives of his various companies. "I have always found it a great deal more difficult to secure the proper type of men than I have capital," he said. "I regard the problem of finance as about 25 per cent, and that of manpower as 75 per cent. Our sales depend upon the milk driver. He is the one who makes the contact with the public and he is regarded as a personal representative of the company."

Just how personal that is, is indicated by a little story from London. When the driver called to collect the weekly account, the little girl who opened the door ran to her mother and exclaimed, "Mother, Mr. Silverwood is here."

Mr. Silverwood is loath to give any free advice concerning anything outside his own particular line of business, but he does comment that as he had been able to cut 20 per cent off his own administration expense during the depression, considerable retrenchment might also be expected in government circles and would be welcomed by the general business man who had been footing very heavy bills in the last ten years.

He has, too, a suggestion for the new Ontario Milk Board. So far, he said, this board has been working satisfactorily although it had only been in existence a short while. He believed that no satisfactory solution can be found for the milk problem until some sort of a pooling system can be worked out for the whole province.

"It is going to be impossible to tell one man that he cannot ship milk to a market such as Toronto for a relatively high price and then allow his neighbor across the road to do so. Some sort of a differential in price will have to be worked out for the more expensive fluid milk for human consumption, and the supply which generally comes from farther back in the country for cheese and butter purposes," he said. "But I do not see how any satisfactory agreement can be developed until the total milk production of the province, or perhaps the Dominion, is handled as a unit."

Mr. Silverwood gave up the bicycle when he stopped teaching school and went into business way back in the 90's. Since then business has been his main hobby. However, he does admit to owning a riding horse and being a member of several golf clubs. But he refuses to give his golf score. He likes fishing. He enjoys motoring.

During the formation years between 1922 and 1928 and during the depression which followed, though he stuck to his desk long hours every day and often worked in the evening, he boasted that he neither lost sleep nor weight.

NEON PRODUCTS REDUCES PREFERRED

Has Redeemed $57,370 in Excess of Sinking Fund Needs

Neon Products of Western Canada has not published an income and surplus account since the year ended April 30, 1931. Its latest balance sheet for the year ended April 30, 1934, shows working capital lower. Neon signs out on rental valued after amortization at $275,132 as against $320,800 a year earlier, and uncollectable rental reserves increased by nearly $11,000 to $24,952.

Nevertheless the company made progress in some directions though its surplus dropped from $60,909 to $10,365. Since April 30, 1932, it has reduced six per cent cumulative preferred stock of $50 par value from $300,000 to $215,250 by purchasing 1,695 shares for redemption. In addition it has $8,369 sinking fund appropriation available. The cost of redemptions in excess of sinking fund requirements has been $57,370.

Working Capital

	1934	1933
	$	$
Current assets	49,319	43,507
Current liabilities	37,187	25,746
Working capital	12,132	17,761
Ratio	1.32—1	1.69—1

W. D. Beath & Son Sales Are 90 Per Cent Higher

Improvement in sales of W. D. Beath & Son, as reported previously for the first five months of the fiscal year, continued into June so that the volume for the first half of the new year was 90 per cent higher than for the same period a year ago, it was announced by Lance B. Beath, president, at the annual meeting of the company.

Hydraulic hoists and dump truck bodies used in road building have shown the most gains in sales and it is expected that when the Dominion Government's programme of public works goes into effect, still further improvement along this line will be recorded.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JULY 2

Range 1934 High	Range 1934 Low	Divd. Rate Y'ld in $	Y'ld in %		Sales	Close June 25 (or last)	Week Ending July 2 High	Low	Close
[illegible]									

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)

July 3, 1934

	Int. Rate	Due	Bid July 3	Asked July 3	Bid June 26
Public Utility Issues:					
Beauharnois L. H. & Power	5½%	1973	98½	101	99
Beauharnois Power Corp.	6%	1959	70	..	71
Beauharnois Power Corp.	5%	1973	56½	57½	56½
Bell Telephone	5%	1955	107½	108½	107½
Bell Telephone	5%	1957	107½	108½	108
B. C. Power	5%	1960	99	101	98¾
B. C. Power	5½%	1960	101¼	103½	101½
B. C. Telephone	5%	1960	101½	103	101
Calgary Power	5%	1960	96½	98¼	96
Canada Northern Power	5%	1953	95	97¼	95
Cedars Rapids Mfg. & Power	5%	1953	109	110½	109
Dominion Gas & Electric	6½%	1945	58½	61	63
Duke-Price Power	6%	1966	93	95	94½
Gatineau Power	5%	1956	92½	94½	92½
Gatineau Power	6%A	1941	89½	92	89½
Do.	6%B	1941	87½	90	88
International Hydro-Electric	6%	1944	..	..	57
Jamaica Public Service	5%	1950	97½	100	97½
Maclaren-Quebec Power	5½%	1961	98½	100	98
Manitoba Power	5½%	1951	61½	64	62½
Montreal Island Power	5½%	1957	100	102	100½
Montreal L. H. & Power	5%	1951	107½	109	107½
Montreal L. H. & Power	5%	1970	107½	109	107½
Montreal Public Service	5%	1942	105	..	105
Montreal Tramways	5%	1955	98½	100	78½
Montreal Tramways	4½%	1955	72½	75	73
Montreal Tramways	5%	1941	78	80½	98½
National Light & Power	6%	1949	79	82	80
N. B. Power	5%	1937	71	70	69½
Northwestern Utilities	7%	1938	101	..	100
N. S. Light & Power	5%	1958	97	99½	96½
Ottawa Light, Heat & Power	5%	1957	101½	103½	101½
Ottawa Valley Power	5½%	1970	105½	107	105
Provincial Light & Power	5%	1946	105	106½	105
Quebec Power	5%	1968	100	103	100
Rio de Janeiro T. L. & Power	5%	1935	102	104	102
Shawinigan Water & Power	6%	1937	100½	102	100½
Shawinigan Water & Power	4½%	1970	90½	93	91
Shawinigan Water & Power	5%	1970	100	103	100½
Southern Canada Power	5%	1955	104	105½	104
United Securities	5½%	1952	80	82½	79
West Kootenay Power	5%	1956	103	105	103
Western Power Co.	5%	1949	102	104½	102
Winnipeg Electric	5%	1935	92	94½	92
Winnipeg Electric	6%	1954	48½	50½	48½
Industrial and Realty Issues:					
Abitibi Pulp & Paper	5%	1953	32	34½	34½
Abitibi P. & P. C.O.D.'s	5%	1953	28½	31½	30
Acadia Sugar	6%	1946	101½	103	101½
Alberta Pacific Grain	6%	1946	68½	71	67
Algoma Steel	5%	1962	14	16	15
American Sales Book	6%	1939	100	..	106
Asbestos Corp.	5%	1942	102	104	102
Atlantic Sugar	5%	1941	94	..	94
Balfour Building	6%	1934	47	49½	47
Belding-Corticelli	5%	1936	103	..	102½
Bloor-St. George Realty	7%	1946	43	..	43
Booth Buildings	6½%	1937	98	..	98
Brandram-Henderson	6%	1936	90	..	90
British American Oil	5%	1945	102½	104	102
British Columbia Pulp & Paper	6%	1950	66½	69	66½
Brown Co.	5½%	1946	54½	57	54½
Burns & Co.	5½%	1948	34	36½	35
Canada Biscuit	6½%	1946	20	22½	20½
Canada Bread	6%	1941	92	94	92
Canada Cement	5½%	1947	93½	95	94
Canada Paper	6%	1945	89	92	89
Canada Steamship	5%	1943	92	94	93
Canada Steamship	6%	1941	30	32	30
Canadian Canners	6%	1950	102½	105	102½
Canadian Consolidated Felt	6%	1940	87	..	87
Canadian Copper Refiners	6%	1945	106	108	106
Canadian Cottons	5%	1940	101	..	101
Canadian Goodrich	7%	1943	45	..	45
Canadian International Paper	6%	1949	63	66	67
C. P. R.	6%	1942	108	110	108
C. P. R.	4½%	1944	90½	92	90
C. P. R.	5%	1954	98½	100	98½
Can. Rail & H. Term.	6½%	1951	22½	25	22
Canadian Vickers	6%	1947	48	50	48
Consolidated Investment	4½%	1959	75	..	78
Consolidated Paper	5½%	1961	17½	20	17½
Cosmos Imperial Mills	6½%	1944	101	..	101
Debenture & Security	4%	1936	74	..	74
Dominion Canners	6%	1940	106	107½	106
Dominion Square Corp.	6%	1948	57	59½	57
Dominion Tar	6%	1949	87½	90	86
Dominion Textile	6%	1949	108	..	108
Dom. Woollens & Worsteds	6%	1948	53	55	55½
Donnacona Paper	5½%	1948	45	..	45
Eastern Dairies	6%	1949	72½	74½	72½
Eaton T. Realty	5%	1949	97	99½	96½
Famous Players	6%	1948	90½	93	90½
Famous Players	6½%	1948	72	75	71½
Federal Grain	6%	1949	72½	75	72
Firestone Tire	7%	1937	100	..	100
Fraser Companies	6%	1950	45	47½	43
French Nat. Mail S.S.	6%	1952	162	..	158
Galt Brass	7½%	1941	34	..	34
General Brock Hotel	6%	1948	30	32½	30
General Steel Wares	6%	1952	84½	86½	84
Godfrey Realty	6%	1942	48	50	47½
Great Lakes Paper	6%	1950	34	36½	35½
Gypsum Lime & Alabastine	5½%	1948	77½	80	78½
Hamilton Cotton	5½%	1948	88	90½	87½
Hamilton By-Products Coke	7%	1943	100½	103	100½
Hinde & Dauche	5½%	1948	87	90	87½
International P. & P. Nfld.	5%	1968	90	92½	90
Inter City Baking	5½%	1948	80½	83	81
Lake St. John Power & Paper	6½%	1947	55	57½	53
Lake St. John Power & Paper	6½%	1942	..	30	..
London Can. Inv.	4½%	1948	70½	74	73
London Realty	6%	1950	72½	..	72½
Lord Nelson Hotel	4%	1947	62	64	62½
Maple Leaf Milling	5½%	1949	..	36½	35½
Massey-Harris	5%	1947	69½	72	69½
McColl-Frontenac	6%	1949	101½	103½	101½
McKinnon Industries	6½%	1945	99½	..	99½
Mercury Mills	5½%	1953	72½	75	72½
Metropolitan Building	7%	1944	99	..	98
Minn. & Ont. Paper (C.O.D.)	6%	1945	20	22	19½
Montreal Coke	5½%	1957	102	103½	102
Montreal Cottons	5%	1947	95½	..	95
Montreal Dry Docks	6%	1948	..	50	..
Northern Electric	5%	1939	104	..	104
Northern Ont. Bldg.	6½%	1939	92	..	92
Ontario Building	6½%	1943	39	42	39
Pacific Burt	6½%	1937	100	..	100
Penmans	5½%	1951	105½	..	105½
Price Bros.	6%	1943	94½	97	94
Provincial Paper	5½%	1947	95	97½	95
Queen's Hotel	6%	1947	71	73½	71
Reliance Grain	6%	1948	82	85	82
Restigouche Co.	5½%	1948	78	80	78
Richmond Bay Bldg.	6½%	1947	83½	..	83½
Riordon Pulp & Paper	6%	1942	102½	..	102
Ritchie Cut Stone	6½%	1948	74	..	74
Rolland Paper	5½%	1948	97	99½	96
Ruddy, E. L.	6½%	1948	73½	..	73
St. Lawrence Flour	6%	1941	100	..	100
Shawinigan Cotton	6%	1949	88½	91	88
Simpsons Ltd.	6%	1949	96	98½	96
Smith Howard	5½%	1953	93½	95½	93½
Steel Co. of Canada	6%	1940	107½	..	107½
Stop & Shop	6%	1947	90	92	90
Toronto Carpet	6%	1944	99	..	99
United Amusement	6%	1940	89½	..	89
United Corpns.	5%	1953	75½	78	77
United Gas & Fuel	5½%	1948	87½	90½	87½
United Grain Growers	5%	1948	80	83	78½
Wabasso Cotton	6%	1947	95½	..	95½
Wabasso Cotton	7%	1942	97	..	96½
Windsor Hotel	6½%	1943	72	74½	72
Woods Mfg.	6%	1943	85	..	85

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto

July 4, 1934

	Rate	Due	Bid	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	106.75	107.25	2.17
†Dominion	5½	1 Dec., 1937	108.50	109.00	2.78
Dominion	5½	1 Nov., 1934	100.65	100.80	3.06
Dominion	3½	15 Oct., 1935	100.75	101.25	2.51
Dominion	4	15 Oct., 1935	101.25	101.75	2.65
Dominion	5	15 Nov., 1936	104.50	105.00	2.85
Dominion	4	15 Oct., 1939	102.75	103.25	3.33
Dominion	4½	1 Sept., 1940	106.00	106.50	3.32
Dominion	5	15 Nov., 1941	108.00	108.50	3.68
Dominion	5	15 Oct., 1943	108.50	109.00	3.83
Dominion	4½	15 Oct., 1944	105.75	106.25	3.76
§Dominion	4	15 Oct., 1943-45	101.65	102.10	3.73
Dominion	4½	1 Feb., 1946	105.75	106.25	3.85
§Dominion	4	15 Oct., 1947-52	101.50	102.00	3.81
§Dominion	4½	1 Nov., 1946-56	104.50	105.00	3.99
§Dominion	4½	1 Nov., 1947-57	104.50	105.00	4.02
§Dominion	4½	1 Nov., 1948-58	104.50	105.00	4.04
§Dominion	4½	1 Nov., 1949-59 (with talons)	104.75	105.10	4.08
Dominion Guaranteed Bonds					
xCan. Nat. Ry.	4½	1 Sept., 1951	106.75	107.25	3.91
*Can. Nat. Ry.	4½	1 July, 1957	106.25	106.75	4.09
Can. Nat. Ry.	5	1 Feb., 1954	111.25	111.75	4.13
xCan. Nat. Ry.	4½	15 June, 1955	109.25	110.00	4.04
xCan. Nat. Ry.	4½	1 Feb., 1956	106.75	107.25	4.00
xCan. Nat. Ry.	4½	1 Dec., 1968	105.50	106.00	4.15
§xCan. Nat. Ry.	5	1 Oct., 1969	112.25	112.75	4.14
§xMontreal Harbor Cm.	5	1 Nov., 1969	113.25	114.00	4.02
Provincial Government Bonds					
*Alberta	4½	1 Oct., 1956	89.00	90.00	5.26
Alberta	6	1 Mar., 1947	101.75	102.75	5.70
*British Col.	4½	1 Oct., 1953	87.50	89.00	5.42
British Col.	5½	1 Feb., 1945	97.00	98.00	5.75
British Col.	6	15 Feb., 1947	100.00	101.00	5.89
xManitoba	5	2 Dec., 1959	95.50	97.00	5.20
Manitoba	5½	1 Oct., 1955	98.00	99.00	5.58
Manitoba	6	1 Apr., 1947	101.00	102.25	5.75
*N. B.	4½	15 Apr., 1960	104.50	106.00	4.36
N. B.	5	2 July, 1963	110.00	111.50	4.31
N. B.	5½	15 May, 1950	109.50	111.00	4.53
N. Scotia	4½	15 May, 1943	103.00	104.50	3.90
*N. Scotia	5	1 Mar., 1960	111.00	112.00	4.23
xOntario	4	1 June, 1962	100.25	101.25	3.93
xOntario	4½	1 Sept., 1944	105.75	106.75	3.72
Ontario	4½	1 June, 1950	104.50	105.00	4.07
xOntario	5	2 Dec., 1960	113.75	114.50	4.09
Ontario	5½	1 July, 1946	112.50	113.25	4.09
§Ont. H. C.	3½-4-5	1 Oct., 1952	97.50	98.25	4.02
xOnt. H. C.	4	1 Aug., 1957	100.00	100.75	3.93
Ont. H. C.	4½	1 Jan., 1970	108.50	109.50	4.22
Quebec	4½	1 Aug., 1958	102.50	103.50	4.02
Sask.	5	1 Aug., 1958	89.50	90.50	5.73
*Sask.	5	1 Nov., 1959	89.75	90.75	5.69
Sask.	5½	1 Oct., 1952	95.25	96.25	5.83
Sask.	6	15 Mar., 1952	99.50	100.50	5.96
Municipal Bonds					
*Calgary	5½	2 June, 1944	90	93	6.32
*Edmonton	5½	1 Nov., 1945	90	93	6.37
*Halifax	5	1 July, 1961	108	109½	4.39
Hamilton	5	1 May, 1950	108	109½	4.18
Montreal	5	1 Mar., 1945	101	103	4.65
Ottawa	4½	1 July, 1945	103½	105	3.93
*Quebec	5	1 June, 1959	102½	104	4.72
Regina	5	1 July, 1944	80	85	7.12
St. John	5	15 Dec., 1950	106	108	4.33
*Toronto	4½	1 Jan., 1955	104	105½	4.11
Victoria	5	21 July, 1945	91	94	5.72
Winnipeg	5	1 Mar., 1944	93	96	5.52

†Tax Exempt Issues. *Payable in Canada and New York. x Payable in Canada, New York and London.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

July 3, 1934

	Bid	Asked
Industrial Stocks:		
Acadia Sugar com.	2.90	3.25
Acadia Sugar pfd.	4.30	4.75
Allens London pfd. bon. c.	34.50	..
Allens Toronto pfd. bonus c.	21.50	..
Allens St. Cath. pfd. bonus c.	34.00	..
Andian National	39.00	..
Atlant. Sugar pfd.	88.00	90.50
B. C. P. & P. pfd.	5.00	8.00
Burns pfd. bon. c.	3.00	4.50
Can. Dom. Sugar	46.75	48.00
Can. Mach. com.	1.00	1.50
Can. Packers c.	35.00	37.50
Can. Packers pfd.	98.50	100.50
Can. Starch c.	8.00	..
Can. Starch pfd.	81.00	..
Can. W. & Cable pfd. WW	70.00	74.00
Can. Indust. "A"	163.00	..
Can. Indust. "B"	161.00	165.00
Can. Indust. pfd. XD	140.00	144.00
Can. Westing.	44.50	46.50
Chase, pfd. bon. c.	22.00	..
Claude Neon Gen. Adv. Units	3.75	5.00
Comm. Fin. pfd. bonus c.	9.75	..
Copeland Fl. Units	5.00	6.00
Dom. F. & Steel c.	9.00	10.00
Dom. F. & Steel pfd.	67.00	70.00
Dom. Manuf. pfd.	62.50	..
Dom. Woollens c.	2.00	2.75
Dunlop Tire pfd.	69.00	72.00
East. Dairies pfd.	13.50	15.50
Fed. Grain pfd.	14.50	16.50
For. Power Sec. pfd.	10.90	13.00
Freiman pfd.	57.00	61.00
Gen. St. Wares pfd.	40.00	42.50
God. Elev.	7.15	8.25
Green. Wire pfd.	66.00	71.00
Guard. Real. pfd.	11.50	..
Guelph Carpet pfd.	80.50	84.00
Guelph Carpet c.	10.00	13.50
Hard. Carpets Units	25.50	..
Hayes Wheel pfd.	8.00	12.00
Highland Dairy c.	3.25	5.00
Highland Dairy pfd.	66.00	..
Inter. City Bak. c.	13.50	16.00
Inter. Paints pfd.	17.25	..
Inter. Propriet. "A"	35.00	36.00
Loew's London pfd.	3.50	4.50
MacLaren Pwr. c.	18.00	..
Mansfield Theat. pfd.	27.00	30.00
Massey Harris pfd.	19.00	20.50
M. Royal Hotel pfd.	2.50	3.25
Nat. Grocers c.	4.10	4.40
New Method Laund. pfd. bon.	47.00	..
Niag. W. Weav. pfd.	38.00	..
Para. Kitchener pfd.	34.50	..
Para. Oshawa pfd.	41.50	..
Prov. Paper pfd.	82.00	84.00
Reliance Gr. pfd.	53.00	56.00
Rob. Cons. Cone	7.50	8.75
Rolland Paper pfd. WW	74.00	77.50
Ruddy pfd.	16.50	..
Serv. Sta. "A" pfd.	45.50	48.00
Stand. Fuel pfd. bonus	91.00	..
Supersilk pfd.	58.50	..
Super. Pet. "B" pfd.	23.00	25.00
Thayers c.	7.25	8.00
Thayers pfd.	40.00	41.00
United Corp. "A"	12.50	13.50
United Corp. "B"	3.25	4.25
West. Grain pfd. bonus	5.75	7.50
Wood, A. & James pfd.	23.00	28.50

	Bid	Asked
Insurance Stocks:		
Brit. Amer. Assce.	27.50	..
Canada Life	435.00	..
Can. Fire	51.00	60.00
Confed. Life 20% pd.	123.00	126.50
Cont. Life 20% pd.	34.50	38.00
Crown Life	101.00	..
Dom. Fire	90.00	..
Dom. Life 50% pd.	165.00	..
Dom. Can. Gen. Ins.	99.00	104.00
Empire Life 25% pd.	9.50	12.00
Excel. Life 30% pd.	72.50	78.00
Fed. Fire 25% pd.	35.00	..
Great W. Life	327.00	340.00
Guar. of N. A. fully pd.	201.00	225.00
Guar. of N. A. 20% pd.	40.00	..
Imp. Life	281.00	..
Manufact. Life	221.00	226.00
Monarch Life 10% pd.	17.00	20.00
Nat. Life 25% pd.	45.00	55.00
Sover. Life 25% pd.	16.50	20.00
Sun Life	390.00	405.00
Traders Fin. "A" pfd.	45.50	..
West. Assur. c.	27.50	..
West. Assur. pfd.	31.50	..
West. Life 20% pd.	9.00	11.50
Trust & Loan Stocks:		
Brit. Mtge. & Tr.	131.00	140.00
Chartered Trust	66.00	70.00
London & West. Tr.	..	40.00
Premier Trust	88.00	..
Sec. Loan & Sav.	102.00	..
Sterling Trust	..	45.00
Trusts & Guar.	40.00	43.50
Vict. Tr. & Sav.	121.00	130.00
Waterloo Tr. & Sav.	75.50	..
Investment Trust Shares:		
Can. Gen. In.	5.20	5.40
Can. Int. Inv. Tr. Units	20.00	23.00
Can. Invest. Fund	3.25	3.50
Can. Invest.	4.50	6.00
Cons. Div. Std. Sec. pfd.	12.00	14.00
Deb. & Sec. c.	5.00	..
Deb. & Sec. pfd.	21.00	..
Dom. & Anglo Inv. Units	190.00	..
Dom. Scott. Inv. Units	23.50	28.00
Invest. Foundation Units	37.00	40.00
Sec. Holding Units	10.00	12.75
Power Issues:		
Calgary Power pfd.	87.00	90.00
Can. L. & Power c.	22.00	24.50
Can. W. Nat. Gas L.H.&P. pfd.	90.00	93.00
Great Lakes P. pfd.	39.50	..
Inter. L.H.&P. pfd.	2.75	..
Marit. Tel. & Tel. pfd.	12.25	13.50
N. B. Tel. c.	9.40	10.75
N. S. L. & P. c.	38.00	..
N. S. L. & P. pfd.	86.25	..
Recent London Quotations:		
Brit. Col. Tele. pfd.		$1.00
Brew. & Distillers		6s. 3d.
Can. & For. Secs.		5s. 6d.
Can. Collier A inc. stk.		38
Do., B		7½
Can. N. W. Land		£1½
Can. West. Lumber		2s.
Hudson's Bay		25s. 9d.
Do., pref.		105s.
Internat. Holdings		$2 1-16
Nfld. Pr. & Pap. deb. stk. B 5½%		101
Trust & Loan (15s. pd.)		11d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew-Surpass	...	20c	Sept. 1	Aug. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Alta. Wood Preserving pfd.	$7	$1.75	July 3	June 26
Avalon Telephone, pfd.	$1.75	87½c	July 2	June 30
Ajax Oil & Gas	8%	2%	July 16	July 4
Bell Telephone	$6	$1.50	July 16	June 23
Brantford Cordage, pfd.	8%	2%	July 15	June 20
Bralorne Mines	60c	15c	July 16	June 30
Beatty Bros., 1st pfd.	$6	$1.50	Aug. 1	July 14
Belding-Corticelli, c.	$4	$1	Aug. 1	July 16
B. C. Telephone, 1st pfd.	$6	$1.50	July 3	June 16
Do., 2nd pfd.	$6	$1.50	Aug. 1	July 17
B. C. Power A c.	$1.50	37c	July 16	June 30
Bruck S. Mills	$1	25c	July 16	June 15
Can. Northern Power	$1	25c	July 25	June 30
Do., pref.	$7	$1.75	July 16	June 30
Cons. Smelters	$2	$1	July 16	June 30
Can. Converters	$2	50c	Aug. 15	July 31
Canada Dry Ginger Ale	$1	25c	July 16	July 2
Canada Southern Railway	$3	$1.50	Aug. 1	June 29
Canadian Fairbanks-Morse	$6	$1.50	July 14	June 30
Canadian Gen. Invest.	40c	10c	July 16	June 30
Can. Bronze	60c	15c	Aug. 1	July 20
Do., pref.	$7	$1.75	Aug. 1	July 20
Canadian Industries pfd.	$7	$1.75	July 16	June 30
Do., Common A	$3.50	87½c	July 31	June 30
Extra	..	75c	July 31	June 30
Do., Common B	$3.50	87½c	July 31	June 30
Extra		75c	July 31	June 30
Canadian Lt. & Power	$1	50c	July 16	June 30
Dome Mines	$2	50c	July 20	June 30
Do., bonus		$1.50	July 20	June 30
Dominion Textile, pref.	$7	$1.75	July 16	June 30
Eastern Theatres, pref.	$7	$3.50	July 31	June 30
Eastern Twp. & Tel.	72c	18c	July 16	June 30
Gordon & Belyea, pfd.	..	$1.75	July 1	June 28
Grey & Bruce Trust	4%	2%	June 30	June 26
Great Lakes Power, pfd.	$7	$1.75	July 16	June 30
Guar. Co. of N.A.	$6	$1.50	July 16	June 30
Do., extra	$10	$2.50	July 16	June 30
Hollinger Gold	$5	65c	July 16	June 29
Do., extra		5c	July 16	June 29
Imperial Bank	$10	$2.50	Aug. 1	June 30
Inter. Hydro-Elec., pfd.	$3.50	87½c	July 16	June 25
Invest. Foundation	$1.50	38c	July 16	June 30
Do., on arrears		12c	July 16	June 30
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 3
Montreal L. H. & Pr.	$1.50	38c	July 31	June 30
McColl-Fron. pfd.	$6	$1.50	July 14	June 30
Merland Oil		5c	July 31	July 15
Mtl. L. H. & Power	$1.50	38c	July 31	June 30
Montreal Telegraph	$3.20	80c	July 16	June 30
Montreal Tramways	$9	$2.25	July 14	July 5
New Eng. Power, com.	$1	25c	July 16	June 30
Northern Ont. Power	$2	50c	July 25	June 30
Do., pref.	$6	$1.50	July 25	June 30
National Biscuit c.	$2	50c	July 14	June 15
National Biscuit, pfd.	$7	$1.75	Aug. 31	Aug. 17
N. S. Light & Pr., ord.	$3	75c	July 3	June 16
Penmans	$3	75c	Aug. 15	Aug. 6
Do., pref.	6%	1½%	Aug. 1	July 21
Photo Engravers, c.	$1	50c	Sept. 1	Aug. 15
Premier Gold Mine	12c	3c	July 16	June 15
Power Corp., pfd.	$6	$1.50	July 16	June 30
Do., 2nd pfd.	$3	75c	July 16	June 30
Southern Can. Power, pfd.	6%	1½%	July 16	June 20
Steel of Canada	$1.20	30c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
Standard Fuel, com.		†50c	July 1	June 26
Southern Canada Power	80c	20c	Aug. 15	July 31
Teck-Hughes	60c	15c	Aug. 1	July 11
Toronto Elevators, pfd.	$7	$1.75	July 16	July 3
Tuckett Tobacco, pfd.	$7	$1.75	July 15	June 30
United Bond & Share, c.	60c	15c	July 16	June 30
United Gold Equities	10%	2½%	July 16	July 10
Do., bonus	—	2½%	July 16	July 10
United Securities	$2	50c	July 16	June 27
Western Grocers, pfd.	$7	$1.75	July 15	June 20

†Interim.

Dividend Rate Increased—
Dome Mines, July 20, $1 to $2 per annum.
Canadian Gen. Invest., com., July 16, 7½c to 10c quarterly

Dividends Resumed—
Photo Engravers 50c. Sept. 1. Last paid June 1, 1932.

Winnipeg Stock Exchange

(Transactions for week to June 27)

Div. rate in $	Yield in %		Sales	High for week	Low for week	Close June 27
..	..	Adanac	500	.23	.23	.23
..	..	Big Long Lac	200	.16½	.16½	.16½
..	..	Forty-Four	10	15.25	15.25	15.25
20	6	Great-West Life	5	330.00	330.00	330.00
..	..	Long Lac Adair	21,750	.39	.36	.39
..	..	Gabrielle	1,700	.67	.66	.67
..	..	McLeod Cockshutt	100	.50	.50	.50
..	..	Island Lake	200	.07	.07	.07
..	..	Rice Lake Units	368	22.50	18.00	21.50
..	..	Rice Lake Stock	700	.34	.33	.34
..	..	Scotia Gold	1,000	.32	.32	.32
..	..	Western Breweries	50	.95	.95	.95
..	..	Wingold	900	.38	.37½	.38

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pelissiers, c.	¼	..
Beaver Lumber, pf.	..	63	Pelissiers, pref.	..	23
Do., com.	..	3½	Sov. Life 25% pd.	..	17
Can. Fire Ins.	50	..	Traders' Bldg.	..	65
Crescent Cream. pf.	28	..	United Grain	9½	..
Federal Grain pref.	15	17	Can. Amer. Tr. shs.	2½	3½
Home Investment	20	..	Can. Inv. Fund	..	3.50
Monarch Life	..	20½	Fundamental Ser. A	..	4½
Northern Trust	10	..	Fundamental Ser. B	3½	..
			Grouped Inc. Shs.	..	4.20

*Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending July 2, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	High	Low
Mtl. L.H.&Pr. debs.	3	1939	3.95	46	46	—	47½	43½
Dom. Coal	5	1940	5.24	—	98½	—	98½	89
Unlisted								
Duke Price	6%	1966	6.40	—	94½	—	—	—

Complete mining quotations on page 15

Bank Chat on Current Topics

Bonds or Money?

ARTHUR BRISBANE, well-known American columnist, continues to urge that the United States issue greenback currency to pay for its deficits instead of interest-bearing bonds. He would probably be delighted with the Ottawa scheme to issue paper currency.

Ottawa authorities, however, appear to know what they are doing. But from Mr. Brisbane's remarks, it does not appear that he understands the elements of money and banking.

Mr. Brisbane recently commented: "Why the government lacks the brains to issue only green paper and save 100 per cent in interest is hard to understand."

In another recent comment, he tore his hair over the increase of the U. S. national debt, and pointed out that it is inflation. Then he remarked:

"Not content with mere 'inflation,' the U. S. government is inflating with bonds that bear interest and at the present moment that 'conservative inflation' puts one single item of 810 million dollars a year on the taxpayers' backs.

"A United States government bond, mind you, no longer payable in gold, has nothing but the government's name, and is no better than a greenback with the same government's name on it. By using greenbacks instead of silly bonds that 'little item' of 810 million dollars a year could have been saved."

It certainly seems, at first sight, a highly commendable economy for the government. But if the United States or Canada were to do something of this kind, the consequences would probably be much more exciting and devastating than Mr. Brisbane imagines.

* * *

Effects of Currency Plan

IN ISSUING bonds to cover an excess of expenditures, economists agree that there is an inflation. But this is the type of inflation we had in Canada in time of war. It was finally controlled, but at great expense, and with terrific business mortality in the 1921 slump of prices and commerce. And in this type of inflation, there is this limit: the bond issues do not result in multiplication of credit to nearly the same extent as would note issues of similar size.

Issue of notes in the Brisbane manner would increase the cash reserves of banks. This, in turn, might lead to several times as great an increase in investments and loans by banks, in order to bring their cash reserve ratios into profitable alignment.

On the scale of the billions mentioned by Mr. Brisbane, this would probably bring a terrific inflation. It might mean an American enactment of the French franc tragedy of the early 20's. Or it might mean such persistent demand for increased doses as to imitate the German mark tragedy of 1923. The last act would be national bankruptcy, accompanied by starvation of wage earners. Mr. Brisbane might find his handsome journalistic income insufficient to buy his bread and butter.

* * *

Banks and Mines

ANOTHER bank invasion of newer mining fields is reported. Bank of Montreal has had a branch building constructed at Bralorne, B.C. Approximately $4,000 has been spent on the two-story, a frame structure, 22 x 30 ft. with concrete foundation.

Construction of the building for the bank was carried out by Bralorne Mines. Staff quarters are located above the ground floor banking room.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

F. N. GISBORNE, manager at White Horse, Yukon, to be manager at Dawson City, Yukon.

J. H. WHEELER, manager at Dawson City, Yukon, to be manager at Nelson, B.C., in place of F. C. WHITEHOUSE, who is retiring on pension on account of ill health.

This means a long trip for Mr. Wheeler, either down the Yukon River, and around Alaska, and via the B. C. coast to Vancouver, thence to Nelson; or up the Yukon by steamer to White Horse, thence by narrow gauge railway to Skagway, and by coastal steamer to Nelson, via Vancouver.

Obituary

David Clawson Rea, former supervisor of Ontario branches for The Royal Bank of Canada, died recently at Toronto. Mr. Rea retired less than three months ago. He had held important positions with the bank at New York, Havana, Winnipeg, Vladivostock and Toronto.

Gaspard Le Moine, formerly a director of the Quebec Bank, and prominent Quebec merchant, died recently at Montreal.

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)

Capital (fully paid) £ 3,780,192
Reserve Fund ..... £ 3,780,926
Deposits £59,257,330

General Manager
William Whyte

TRADE WITH GREAT BRITAIN

The ramifications of the Bank throughout Great Britain and the entire World enable it to handle every description of British, Colonial and Foreign Banking business.

LONDON — City Office: 3 Bishopsgate, E. C. 2

Head Office: EDINBURGH

252 BRANCHES IN ALL

Associated Bank: Williams Deacon's Bank Ltd.

(Members of the London Bankers' Clearing House)

Current Events in Banking World

CONTENDS CREDIT HARDER TO OBTAIN THAN "G.M.'S" SAY

Toronto Importer Complains Deserving Industry Denied Loan

That bank credit is not as readily available as general managers of the chartered banks have indicated is the gist of a letter sent recently to The Financial Post by H. Marshall Taylor, president The Empire Cream Maker Syndicate.

Mr. Taylor entitles his letter: "an open letter to the general manager of every chartered bank in the Dominion of Canada." The letter reads:

Letter to Bankers

"During the recent parliamentary investigation of finance and commerce at Ottawa there were reported in the press answers given by certain general managers of Canadian banks to questions put by members of the banking committee. In one particular instance I read that one of the general managers on the witness stand stated that the banks had plenty of money to loan to deserving industries but that the banks regretted there were no applications for funds.

"Eight months ago I started a business in Toronto. I have raised $20,000 cash for this business and it was all expended in advertising, demonstrating and merchandising several thousand machines imported from Great Britain.

"We have never borrowed any money from any bank. We have raised our money by selling ownership shares in the business.

Asked For Loan

"Two months ago I had a shipment of 1,000 machines arriving from England with draft attached. I had plenty of machines in stock to do us for some time. I lacked the necessary funds to lift the draft. I read the general manager's statements as published in the press and asked my bank to please lift the draft and hold the machines as security for 30 days to give me an opportunity to raise the capital to pay them off. In addition to the security of the machines, which enjoy a ready market, I offered the total assets of our company.

"Boiled down it meant that I was asking my bank to take its depositors' funds and loan them to me for 30 days at seven per cent interest, secured by what I considered decent collateral. Please remember that documents covering the ownership of the machines, which can be sold readily for cash to responsible department stores, remained in the custody and possession of the bank. I was not asking any bank to loan me their depositors' money with the idea of taking over the machines and promising to return the bank's money when or if I had sold the machines to someone, collected the payments and then paid back the bank.

Bank Refused

"The bank's refusal was in this form: 'It is not the policy of the bank to loan its depositors' money to any person or firm to be used as working capital'.

"I will admit that we needed working capital, but I wish to point out that it is simply because the business is growing. That necessarily is not any crime, and I believe that if the chartered banks in this country could see that this was a deserving business they would not stand up in Parliament and tell the nation that they had no applications for loans. I honestly believe and always will believe that I was entitled to accommodation from my bank for 30 days in this particular instance. I submitted a financial statement drawn up by our chartered accountants to the bank at the time and it is a good statement. It shows a ratio of current assets to current liabilities of four to one. We are honest people; our overhead is low and investigation will show that we are doing a first-class job.

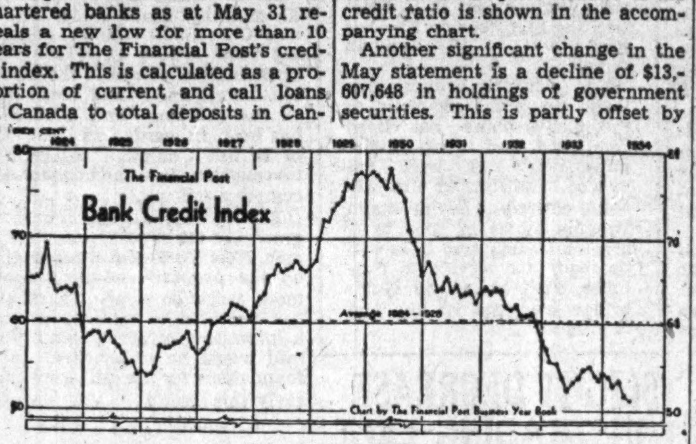
"My experience in this case leads me to believe that the statements made by general managers of Canadian banks to the investigating House of Commons committee are not exactly in line with the experiences of Canadian business houses in 1934 with Canadian banks. It is unnecessary to bring up the ease with which a myriad of loans were made by the banks in the hectic days prior to 1930 on very little or no security at all. Here is a case when a deserving new industry needed some funds temporarily and received a cold turndown.

"We are helping farmers; we are helping the householders; we are employing more people and in the very near future we will be producing in Canada and thereby using Canadian materials and Canadian labor, and we hope to be in a position where we don't have to take discipline from Canadian bank managers."

Post's Bank Credit Index At Lowest Point for Years

May Index 51.4% — Loans and Investments Fail to Increase With Business Recovery — Good Loans Scarce

Composite statement of the 10 chartered banks as at May 31 reveals a new low for more than 10 years for The Financial Post's credit index. This is calculated as a proportion of current and call loans in Canada to total deposits in Canada. The figure for May is 51.4 per cent, compared with 51.8 per cent in April and 52.3 per cent for May, 1933.



The new low is chiefly due to a failure of current loans in Canada to expand with improving business. Banks explain that demand for credit remains low. Deposits, on the other hand, are higher than in May, 1933. The consequent decline of the credit ratio is shown in the accompanying chart.

Another significant change in the May statement is a decline of $13,607,648 in holdings of government securities. This is partly offset by increases in municipal securities and those of public and railway corporations. The net effect has been that total loans and advances have declined slightly, while deposits have increased, both for the month and over the 1933 figures.

Combined statement for the 10 banks, as arranged by The Financial Post, is as follows:

	May, 1934 $	Apr., 1934 $	Change $	May, 1933 $	Change $
Immediately Available Liquid Resources					
Specie	49,162,931	49,087,727	+ 75,204	55,483,043	— 6,320,112
Dom. notes	130,674,227	128,540,497	+ 2,133,730	130,728,697	— 54,470
Gold reserve	16,631,732	18,681,732	— 2,050,000	19,481,732	— 2,850,000
Foreign banks	83,580,295	81,708,061	+ 1,872,234	84,516,463	— 936,168
Foreign curr.	20,494,943	19,520,214	+ 974,729	22,712,369	— 2,217,426
Govt. secs.	646,060,592	659,668,240	—13,607,648	631,092,797	+14,967,795
Call loans ab'd.	121,722,901	119,536,926	+ 2,185,975	90,201,811	+31,521,090
	1,068,327,621	1,076,743,397	— 8,415,776	1,034,216,912	+34,110,709
Loans and Securities Other Than Those of Canadian Government					
Public secs.	140,996,554	138,228,656	+ 2,767,898	162,053,265	—21,056,711
Railway secs.	43,006,515	39,514,296	+ 3,492,219	43,047,778	— 41,263
Can. call loans	103,409,514	100,525,217	+ 2,884,297	93,766,419	+ 9,643,095
Current loans	874,716,290	877,447,651	— 2,731,361	897,077,958	—22,361,668
Loans abroad	138,372,088	136,759,838	+ 1,612,250	148,357,111	— 9,985,023
Prov. loans	31,183,157	27,591,199	+ 3,591,958	32,660,482	— 1,477,325
Mun. loans	131,120,284	138,842,143	— 7,721,859	142,940,760	—11,820,476
	1,462,804,402	1,458,909,000	+ 3,895,402	1,519,903,773	—57,099,371
Other Assets					
Non-curr. loans	13,857,028	13,808,937	+ 48,091	14,283,173	— 426,145
Real estate	7,676,361	7,624,862	+ 51,499	7,813,724	— 137,363
Mortgages	6,066,382	6,062,944	+ 3,438	6,265,884	— 199,502
Premises	78,264,386	78,327,282	— 62,896	78,991,256	— 726,870
Lets. of credit	50,975,045	51,440,639	— 465,594	46,471,395	+ 4,503,650
Loans to comp.	13,410,527	13,494,528	— 84,001	13,417,104	— 6,577
Other assets	2,007,819	1,604,036	+ 403,783	1,748,593	+ 259,226
	172,257,548	172,363,228	— 105,680	168,991,129	+ 3,266,419
Total	2,703,389,571	2,708,015,625	— 4,626,054	2,723,111,814	—19,722,243
Note cir. dep.	6,516,039	6,516,039		6,615,338	— 99,299
Int. bank bal.	130,303,138	116,536,824	+13,766,314	105,565,081	+24,738,057
Gross	2,840,208,748	2,831,068,488	+ 9,140,260	2,835,292,233	+ 4,916,515
LIABILITIES — To the Public					
Circulation	127,348,127	133,083,185	— 5,735,058	128,365,391	— 1,017,264
Dom. Govt.	31,899,315	31,551,831	+ 347,484	30,829,792	+ 1,069,523
Prov. Govt.	32,132,068	26,116,938	+ 6,015,130	18,929,751	+13,202,317
Govt. advances	38,444,000	38,944,000	— 500,000	42,344,000	— 3,900,000
Deposits by Public					
Demand dep.	532,528,434	510,170,806	+22,357,628	498,917,874	+33,610,560
Savings dep.	1,367,515,700	1,375,862,015	— 8,346,315	1,396,819,807	—29,304,107
Total	1,900,044,134	1,886,032,821	+14,011,313	1,895,737,681	+ 4,306,453
Foreign dep.	323,089,925	322,228,994	+ 860,931	306,123,163	+16,966,762
Due to Banks Abroad, Etc.					
United Kingdom	5,261,791	5,937,548	— 675,757	4,680,772	+ 581,019
Foreign	24,591,081	26,355,766	— 1,764,685	31,520,866	— 6,929,785
Bills payable	813,594	749,563	+ 64,031	468,794	+ 344,800
Lets. of credit	50,975,045	51,440,639	— 465,594	46,471,395	+ 4,503,650
Other liabs.	2,401,443	2,347,914	+ 53,529	2,173,967	+ 227,476
Total public liab.	2,537,000,523	2,524,789,199	+12,211,324	2,507,645,572	+29,354,951
Due bet. banks	15,304,639	14,816,259	+ 488,380	12,185,180	+ 3,119,459
Liability to Shareholders					
Dividends	2,446,759	956,341	+ 1,490,418	2,468,799	— 22,040
Reserve	132,500,000	132,500,000	....	162,000,000	—29,500,000
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,831,751,921	2,817,561,799	+14,190,122	2,828,799,551	+ 2,952,370
Credit index*	51.4%	51.8%	— 0.4%	52.3%	— 0.9%

* Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Monthly Bank Clearings

	June, 1933	June, 1934
Halifax	$ 9,111,337	$ 9,434,623
Sherbrooke	2,633,291	2,644,316
Quebec	17,714,731	17,471,471
Montreal	422,390,386	398,582,744
Ottawa	20,327,832	18,658,611
Kingston	2,428,968	2,323,912
Peterborough	2,455,850	2,671,495
Toronto	499,150,381	441,101,409
Hamilton	16,635,935	16,876,976
Kitchener	4,361,671	4,366,070
Brantford	3,479,585	3,428,943
London	11,304,677	11,416,720
Chatham	1,959,780	1,759,365
Windsor	9,514,662	9,768,614
Sarnia	1,892,827	2,028,457
Sudbury	2,621,812	3,093,296
Fort William	2,824,609	3,220,149
Brandon	1,230,107	1,337,263
Saskatoon	5,050,969	4,960,168
Prince Albert	989,947	1,134,572
Calgary	24,156,318	20,549,006
New Westminster	1,902,629	2,100,613
Vancouver	64,796,936	61,202,827
Victoria	6,469,268	6,469,269

Weekly Bank Clearings

	June, 28, 1934 $	Change year ago %	June 21, 1934 $
Halifax	1,992,232	+19.0	1,825,720
Saint John	1,414,052	+1.9	1,596,023
Moncton	797,765	—14.5	674,766
Sherbrooke	582,919	+4.5	650,403
Quebec	3,161,760	—9.7	3,958,687
Montreal	79,765,843	—25.5	95,519,531
Ottawa	3,858,449	—16.2	4,763,172
Kingston	523,857	+1.8	508,072
Peterborough	592,850	+9.8	646,749
Toronto	93,007,075	—8.5	100,957,611
Hamilton	3,626,081	—3.9	4,019,878
Kitchener	833,984	—2.0	995,326
Brantford	652,916	—4.8	873,751
London	2,362,596	+13.1	3,113,081
Chatham	425,121	—0.6	388,041
Windsor	1,913,503	—7.3	2,758,529
Sarnia	387,482	+13.4	524,061
Sudbury	775,605	+20.6	657,343
Ft. William	612,426	—21.7	867,070
Winnipeg	43,077,863	—56.4	45,808,162
Brandon	310,013	+8.2	304,016
Regina	2,468,484	—38.6	2,756,648
Moose Jaw	388,618	—4.3	484,838
Saskatoon	1,014,042	—8.6	1,178,912
Pr. Albert	217,448	+3.9	278,727
Edmonton	3,151,476	+8.2	3,662,146
Calgary	4,418,940	—27.2	4,491,288
Medicine Hat	194,016	+1.9	197,084
Lethbridge	340,209	+14.7	386,848
N. W'minster	450,531	—3.7	464,522
Vancouver	13,329,496	+2.6	14,099,743
Victoria	1,249,027	—2.1	1,502,906

Insurance News

OTTAWA ACT MAY ACHIEVE SETTLEMENT

Dominion Abdicates Right to Register Lloyds Underwriters

The passing of the amended Insurance Act in the Federal House at Ottawa last week may have far-reaching influence on the entire Canadian situation, The Financial Post learns.

As is well known, the Federal Government a few weeks ago decided to abandon its support of provisions in the new act, whereby Lloyds Underwriters would be allowed to do business under federal registry. Thus the House of Commons reversed the stand taken in the Senate where the bill was introduced. Established fire and casualty companies in Canada were jubilant at the victory gained.

May Lead to Settlement

It now appears, however, that since the Federal Government (for the first time) has entirely abdicated its right to register Lloyds Underwriters, the field has been left wide open for registration of this group in the various provinces and the way has been cleared (for the first time in perhaps 20 years) for an ultimate settlement of the vexed question of jurisdiction in the Dominion.

Officials of the Ottawa insurance department and executives of joint stock fire and casualty companies in Canada have sought continually to have Lloyds make a deposit at Ottawa as the sine qua non of Canadian registry. The fact that Ottawa has now abandoned its attempts to register Lloyds, means that there is little, if any, chance of this requirement being met. Provincial officials have always indicated their willingness to waive a deposit requirement if they are satisfied of the inherent solvency of the company or association concerned.

Lloyds Now Excluded at Ottawa

One very significant feature of the new situation is that for the first time in the history of federal insurance, the Government has completely given up its right to register or license an organization such as the underwriters at Lloyds. For years federal insurance officials have fought for the right, to control by registration, every company or association which sought to do business throughout the Dominion. As the new legislation now stands, Lloyds stand in the same position as the underwriting of marine risks. That is, they are definitely excluded from the terms of the Dominion Act and are left free to operate in Canada as they will.

The new legislation has also achieved a satisfactory settlement with the reciprocal underwriting agencies and with the New England Factory Mutuals, special provisions having been made in the new federal act to enable these two groups to obtain a federal certificate of registry.

Peaceful Settlement Possible

Thus, for the first time, a way seems to be clearing to settle the 20-year struggle in respect of insurance jurisdiction in Canada. Since this struggle first began, the chief points of contention have been the licensing either of reciprocals, New England factory mutuals or Lloyds Underwriters. Now Ottawa has achieved a basis of settlement with the two former groups and has given up all claims to regulate the latter.

Close observers, therefore, feel that in all probability the way is now clear for a peaceful settlement in respect of insurance jurisdiction in Canada as between the provinces and the Federal Government.

Future of Lloyds

Just what will happen to Lloyds in Canada is difficult to estimate at the present time. The probability, is however, that within the near future, one or all of the important provinces will take steps to license this group along the lines which were suggested at Ottawa.

Lloyds is already licensed in Quebec, and it was freely stated a few months ago that if no satisfactory settlement could be obtained at Ottawa, other provinces in the Dominion stood ready to license this group in their own territory.

Officials of established fire casualty companies in Canada are inclined to doubt this. They believe that in the face of the representations which were made to Ottawa and which resulted in the Federal Government withdrawing its support of the Lloyds licensing clauses, no provincial jurisdiction will feel ready to grant Lloyds a license unless that organization is willing to enter on terms similar to those which must be met by other companies.

In the past, Quebec province has apparently had no qualms about allowing Lloyds to be licensed on less onerous terms than those which were proposed and thrown out at Ottawa. In Ontario the decision will doubtless rest with the new Hepburn Government. Insurance will fall under the new attorney-general Arthur W. Roebuck. These are the two key provinces, undoubtedly, and their action will probably have considerable influence on what happens in other provincial territories.

B. C. ASSOCIATION MOVES TO CURB MEMBERS, AGENTS

Will Impose Penalties for Failure to Comply With Regulations

Affirmation of renewed faith in the "non-intercourse" rule as applied to British Columbia is contained in an official report of a special meeting of the B. C. Insurance Underwriters' Association held last month at Vancouver.

Under the signature of John L. Noble, manager of the association, the statement draws the particular attention of members of the fire branch, to the need of a strict adherence to the association's rulings. The announcement is a direct result of the meeting held last month when the whole situation was thoroughly canvassed and the decision made to rigidly enforce the by-laws of the association affecting tariff and non-tariff relationships. The meeting was attended by leading managers from all parts of Canada and the opportunity taken to thrash out the entire question of tariff and non-tariff "intercourse" as between companies and agents.

Will Impose Penalties

The announcement states in part:

"At the recent general meeting of this branch held in Vancouver important matters which have been engaging the attention of various agents' associations and the executive committee of this branch were dealt with. The attendance was fully representative and included managers from Montreal, Toronto, San Francisco and other outside points. Our local representatives, therefore, had the benefit in their deliberations of the wide experience of managers having jurisdiction over large territories.

"Such matters as relief rates, forms of cover, non-tariff competition, the non-intercourse rule, together with agency representation and acquisition cost were among the items on the agenda.

"The reported lack of compliance with the regulations was fully commented upon and it was the consensus of opinion that in the best interests of the business it is absolutely necessary that all regulations be rigidly enforced, particular stress being placed upon the non-intercourse rule, regarding which it was the unanimous decision of the members represented that this rule be maintained in its entirety.

"Instructions were given that advices be sent to the members and agents in accordance with this action. Please be advised, therefore, that our regulations generally, and especially the non-intercourse rule, will be strictly and fully enforced both in regard to companies and agents alike. The executive committee now having the full assurance of support by the companies and having confidence in the loyal co-operation of the agents, intend from this date to impose adequate penalties for any infractions of the rules and regulations."

Taylor of Phoenix Heads Toronto Insce. Accountants

Donald Taylor, of the Phoenix of London group, was elected president of the Toronto chapter of the Canadian Insurance Accountants Association at the organization meeting held recently in Toronto. Mr. Taylor, along with other officers elected, will remain in office until the first annual meeting to be held some time in December.

Other officers elected were: E. C. Tyrrell, Canadian Surety, vice-president; George Bell, General Accident Insurance, secretary; H. E. Wittick, Pilot Insurance, treasurer. The following were elected to the executive committee: C. Sykes, Canadian General; H. G. Tawney, Recording & Statistical; E. A. Dickinson, London & Lancashire; C. S. Russell, Zurich; and V. E. Chute, Sun Fire.

1884 - 1934

A REPUTATION SUSTAINED ....

Half a century of sound conservative management has established this Company's solid dependability. Its Golden Jubilee finds it with an unblemished record for consistent fair dealing and prompt settlement of policy-holders' claims.

The PORTAGE LA PRAIRIE Mutual Insurance Company

Portage la Prairie, Man.

PORTAGE MUTUAL INSURANCE CO.

TORONTO VANCOUVER EDMONTON MONTREAL

BUDGET BALANCED BY PRINCE ALBERT

Of $371,611 Tax Levy for 1933, $156,876 Uncollected at Dec. 31

City of Prince Albert, Sask., ended 1933 with expenditures within revenue. But the city had total tax arrears of $245,285, in addition to tax sale certificates of $99,014. This compares with a total tax levy of $371,611 for 1933, of which $156,876 was uncollected at Dec. 31.

The city's financial statement, which was not available for The Financial Post municipal survey, has recently been issued, and is summarized as follows:

Population 1931, 9,905. Area, 9,713 acres.

Income and Assessment
Year Ending December 31, 1933

Revenue	$ 354,248
Expenditure	338,871
Assessed value for taxation	5,735,485
Exemptions not included	3,643,251

Tax rate 1933: General 13.31; debenture 11.93; high school 4.16; public school 16.60; separate school 12.80; provincial public revenue 2.00; totals 48 and 44.20 mills.

Total tax arrears $245,285, tax sale certificates $99,014; last year's levy, $371,611; outstanding $156,876.

Assets and Liabilities

Value of assets	$3,215,456
Total debenture debt	3,404,819
Sinking fund	974,863
Other liabilities	320,240

Debenture Debt

	Deb's. outstand.	Sink. fd. on hand
Waterworks	$ 586,762	$ 157,416
General	2,818,057	785,638
Sink. fund surplus		31,809
Total	3,404,819	974,863

Public Utilities

	*Net earnings	†Net profit
Waterworks	$45,915	$4,957
Cap. expend. from revenue		85

*After operating charges only.
†After deducting all charges.

U. S. Court Upholds Gold Clause Abrogation

Judge Charles B. Farin, St. Louis, Mo., Federal District Judge, has ruled that gold clause bonds of the Missouri Pacific Railroad should be paid only at their face value in the present current money of the United States.

This ruling is interpreted as approving the constitutionality of recent American Congressional action, abrogating gold clause promises to pay in "gold coin of the United States," under U. S. Public Resolution No. 10, enacted in June, 1933. The case is expected to be appealed to the U. S. Supreme Court, which has not made a major decision on the clause since 1863, when it was enforced.

B. C. Fish Catch Gains

The total of fish caught off the coast of British Columbia last year was 2,902,345 cwt., which gave $6,452,855 to the fishermen—a substantially higher sum than that of the previous year when a catch of 3,474,946 cwt. gave $4,731,805 to these primary operators.

Early Heading of Wheat

Early heading of wheat is reported from both Alberta and Manitoba. At Nanton, Alberta, a field seeded on April 10 showed heads on June 15.

Established 1869

Strength• Stability•

Assurances in Force (Dec. 31, 1933) $518,521,336.00
Assets $138,912,508.00
Surplus Funds and Contingency Reserves $11,917,520.94

A Purely Mutual Company

Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.

THE MUTUAL LIFE Assurance Company OF CANADA

HEAD OFFICE WATERLOO, ONT.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

SEATTLE WASHINGTON

BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax

HEAD OFFICE FOR CANADA HAMILTON ONTARIO

WRITING FIRE AND AUTOMOBILE INSURANCE AT COST ASSETS $4,616,449.70

ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

"Canada's Largest Fire Mutual"

The WAWANESA MUTUAL INSURANCE CO.

HEAD OFFICE—WAWANESA, MAN.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS

Insurance in force .... over $243,000,000

APPLICATIONS INVITED FOR AGENCIES IN ALL PROVINCES

Eastern Offices: 341 CHURCH ST., TORONTO

A MUTUAL COMPANY

NORTH AMERICAN LIFE

Solid as the Continent

Head Office: Toronto, Canada

ALL PROFITS FOR POLICYHOLDERS

Position of Chartered Banks of Canada as of May 31, 1934, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% Last dividend	*Loans to Directors and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	32,350,874	25,704,594	9,000,000	8,291,849	139,500,085	384,734,828	58,213,043	2,240,662	1,191,189	3,739,339	100,766	5,899,104	1,705,500	726,618	38,000,000	36,000,000	747,407,457	50,000,000	36,000,000	8	1,145,040	15,439,556	39,736,695	34,435,473
Nova Scotia	11,221,385	408,444	6,214,000	688,317	41,309,304	131,507,097	35,509,025	3,631,008	152,095	1,270,318	85,731	5,514,748	158,249	2,897	24,000,000	12,000,000	273,672,624	15,000,000	12,000,000	12	2,845,019	8,705,618	8,374,539	12,100,958
Toronto	5,817,119	245,779	1,500,000	954,330	23,995,545	63,385,943		1,107,071	120,710	826,355	227,137	1,221,759	177,306	151,000	9,000,000	6,000,000	114,730,960	10,000,000	6,000,000	10	1,067,745	391,000	4,969,900	6,310,074
Provinciale	3,524,313	248,509	600,000	53,763	4,416,424	31,838,653		344	....	63,706		153,927	2,258	83,482	1,000,000	4,000,000	45,965,181	5,000,000	4,000,000	6	624,832	230,983	423,869	3,954,103
Commerce	23,069,006	1,799,248	7,000,000	6,535,732	113,770,848	277,969,047	53,555,902	2,133,700	1,019,674	5,847,395	66,157	13,550,317	74,508	605,293	20,000,000	30,000,000	556,922,324	50,000,000	30,000,000	8	5,244,203	10,427,000	27,068,000	24,745,589
Royal	29,076,380	1,801,386	9,000,000	11,184,708	136,042,187	264,149,743	171,127,448	707,590	377,836	8,684,470	306,032	20,574,179	283,772	712,651	20,000,000	35,000,000	708,820,123	50,000,000	35,000,000	8	2,260,427	11,936,221	28,407,407	31,271,755
Dominion	6,091,488	341,950	1,456,000	368,956	25,006,148	60,140,862	3,515,057	1,681,758	117,197	1,399,259		3,025,871		2,288	7,000,000	7,000,000	117,430,612	10,000,000	7,000,000	10	1,559,041	648,000	3,263,000	6,417,933
Nationale	8,229,939	344,226	2,000,000	1,884,036	17,734,897	78,225,356	1,169,450	716,566	18,376	480,810		376,456	....	178,635	5,000,000	7,000,000	123,058,732	10,000,000	7,000,000	10	256,969	913,754	1,447,625	9,278,764
Imperial	7,691,173	521,617	1,590,000	2,170,377	28,078,363	72,631,205	....	2,607,241	255,046	1,132,805	....	621,036	....	2,895	8,000,000	7,000,000	132,301,763	10,000,000	7,000,000	10	596,699	519,025	4,584,589	8,105,888
Barclays (Canada)	276,450	483,562	84,000	....	2,674,633	2,932,966	....	477,799	2,009,668	1,446,624	18,771	37,648	....	....	500,000	500,000	11,442,125	500,000	500,000	......	....	12,004	77,393	318,685
Total	127,348,127	31,899,315	38,444,000	32,132,068	532,528,434	1,367,515,700	323,089,925	15,304,639	5,261,791	24,591,081	813,594	50,975,045	2,401,393	2,446,759	132,500,000	144,500,000	2,831,751,921	210,500,000	144,500,000	......	15,599,975	49,223,161	118,373,017	136,948,200

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other Bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves*	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	15,392,691	46,392,623	2,088,645	449,474	31,475,105	1,877	1,353,973	10,432,193	251,794,283	33,354,580	2,739,980	6,565,812	56,580,133	188,937,007	6,072,538	10,586,879	50,976,792	3,741,138	507,567	1,015,077	14,500,000	5,899,104	1,589,618	4,000,000	39,065	423,573	747,829,879
Nova Scotia	8,486,146	6,264,067	734,728	2,151,879	17,257,742	....	795,235	7,151,110	63,719,579	15,680,307	7,192,032	8,636,882	2,910,993	91,465,861	12,393,197	1,489,966	9,476,360	976,552	....	106,200	7,737,852	5,514,748	535,064	1,250,000	2,783,544	131,162	274,841,216
Toronto	397,797	3,514,604	410,315	31,428	5,537,785		2,315,576	1,217,129	35,125,136	5,667,363	1,030,150	5,521,941	....	43,839,484	....	....	4,563,042	384,108		41,793	3,635,265	1,221,759	315,801	630,866	....	....	115,401,350
Provinciale	242,285	408,700	364,810	76,074	1,451,377	1,966,574	38,998	179,469	9,813,521	5,306,387	3,035,509	5,081,589	....	13,369,060			1,263,460	172,287	595,776	379,679	2,139,611	153,927	195,400	....		71,044	46,305,554
Commerce†	10,430,583	28,010,563	1,414,170	1,709,156	21,898,769	16,970	775,149	15,158,947	108,116,823	29,829,603	11,622,165	27,998,294	32,208,621	167,693,680	16,061,015	8,413,400	29,949,093	3,291,507	2,580,988	2,629,085	14,777,883	13,550,317	1,250,000	4,000,000	4,023,168	529,504	557,939,165
Royal‡	12,056,951	36,733,369	2,015,489	15,883,543	25,510,522	1,407	7,144,729	29,186,449	101,327,710	22,843,797	11,593,143	28,802,017	26,461,493	219,288,065	102,549,431	1,339,915	12,250,026	4,092,346	2,498,507	859,074	17,631,078	20,574,179	1,500,000	3,000,000	6,544,310	538,524	711,626,586
Dominion	661,565	3,506,637	585,245	56,158	4,379,349	....	202,806	729,517	25,088,145	4,738,758	2,062,102	7,871,701	3,561,661	52,311,693	332,483	43,278	1,632,642	403,741	90,292	36,482	5,933,763	3,025,871	306,800	400,000	....	133,662	118,079,363
Nationale§	956,835	1,452,039	443,480	71,982	2,523,842	378,289	173,403	610,289	23,971,678	17,045,271	3,507,241	4,816,270	....	40,149,170	63,424	4,847,170	11,693,550	443,390	1,223,043	592,377	6,057,888	376,456	358,611	1,500,000	....	60,065	123,313,774
Imperial	524,539	4,274,442	548,270	63,417	6,934,631	606,324	1,033,239	1,452,616	24,085,393	6,200,312	208,243	7,141,808	....	56,590,896	....	4,462,549	9,325,319	338,071	180,188	406,615	6,001,346	621,036	449,950	1,850,866	....	120,182	133,420,261
Barclays (Canada)	13,539	117,174	11,275	1,832	583,384	1,163,264	2,882,591	746,877	3,018,324	335,177	15,950	973,200	....	1,071,374	....	....	....	13,388	....	....	450,000	37,648	14,795	....	....	....	11,449,800
Total	49,162,931	130,674,227	8,616,427	20,494,943	117,552,006	4,134,705	16,715,699	66,864,596	646,060,592	140,996,554	43,006,515	103,409,514	121,722,901	874,716,290	138,372,088	31,183,157	131,120,284	13,857,028	7,676,361	6,066,382	78,264,386	50,975,045	6,516,039	16,631,732	13,410,527	2,007,716	2,840,208,748

*Of this deposit $5,181,782 is in gold coin; the balance is in Dominion notes.
*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.
†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.
‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.
§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

News of Canadian Mining Investments

The Week in Mining

Wanted—Some Answers

WHILE it would be carrying paternalism in government too far to expect a governmental investigation every time some stock took a toboggan slide on the exchange, the disastrous effects to British Columbia mining stocks of the spectacular crash of Wayside Consolidated shares recently, plus certain peculiar features of this Spencer-Smith-Sloan backed venture, give some point to the demand of shareholders that the government of British Columbia investigate events leading up to the unexpectedly gloomy report of Arthur Notman, New York consulting engineer.

Latest figures from the transfer books do not indicate that the directors of the company are, at the moment, large shareholders. After the report was in their hands, there was a delay before it was made public. The report of Notman, who, while a competent copper engineer, and one whose reputation is above reproach, was unfamiliar with the Bridge River section, came like a dash of cold water to shareholders, who had previously received only glowing accounts of the property, and the development work. Early this spring, the foundations for a mill site were even being laid.

These facts give rise to the following questions, which demand an answer, whether voluntarily from Wayside officials, or through a governmental investigation: Did the directors sell their holdings before the adverse report, recommending that development work be stopped, was made public? Why was there a delay in making it public? Why was an American engineer, who had made his reputation chiefly in the copper field, appointed to make the report, when there was no lack of competent engineers in British Columbia who were far more familiar with the geology of the whole area?

It is these questions, among others, for which a minority of shareholders are asking Premier Pattullo to get an answer.

Saskatchewan Gov't Pushes Northern Geological Work

From Our Own Correspondent

REGINA—The federal and provincial governments are paying more attention to geological work in the northern part of the province. The federal government has sent in M. Ambrose of the Dominion Geological Survey, and the provincial government will send in two airplane parties if Ottawa will provide technical and scientific equipment.

The provincial department of natural resources will provide air equipment and personnel which will make a survey more for information of an economic value than geological. Promising mineral areas will be examined and mapped and their efforts will be made available to prospectors as soon as prepared.

An official of the provincial department of natural resources visited the territory from Amisk Lake to Flin Flon and he reports more intensive development this year than ever before. He reports that a short distance east of the south end of Bootleg Lake the Mahoney-Henning interests have approximately 30 men at work. This property was discovered in 1931, and favorably reported on by J. F. Wright, and C. H. Stockwell of the Dominion Geological Survey.

On the east side of Douglas Lake and about three miles southwest of Flin Flon, John Tikkanen and associates are working a group of claims.

Federal Gold Assets $1,216 Against $2,881 Liabilities

Official statement of Federal Gold Mines as at April 30, 1934, showed current assets of $1,216 and current liabilities of $2,881. Out of the authorized capitalization of $2,500,000 in $1 par value shares 493,467 shares are outstanding. Of these 200,000 shares were issued to the vendors of the property and the balance was sold by the company at ten cents per share.

The company has 55 claims situated on the main highway between the P. G. & E. Railway and the Pioneer Mine in the Bridge River area of British Columbia. It also adjoins the Minto Gold Mines and Olympic. Surface exploration only has been conducted and uncovered several veins on which further work is to be undertaken.

Murphy Mines Continue Hunt For Good Property

At the annual meeting of shareholders of Murphy Mines held in Toronto on June 27 it was decided to continue outside exploration in an effort to find a property of merit. At the company's holdings in Gauthier township no further work is planned. An aggressive development programme was undertaken in 1931 with inconclusive results.

The company still has about $5,000 in cash in its treasury and no liabilities. Three million four hundred thousand out of the authorized capitalization of $4,000,000 in $1 par value shares is presently outstanding.

Canadian Enterprises Sponsor Development in Cadillac

Under the direction of Canadian Enterprises, active exploration and development work has been started on the properties of Brown Bousquet and Wood Cadillac Mines in the Cadillac region of Quebec. On the former group a crew of 15 men are engaged in surface work, and, it is officially claimed, two veins have been located. At the Wood Cadillac group, seven veins have been located on the surface in the mineralized zone some 600 ft. in length.

Metal Prices

New York—July 3—
Copper: Electrolytic spot and future, 9c.
Silver: 46¼c.
London—July 3—
(Long Ton)—
Copper: Electrolytic spot, £33 15s; future, £34 5s. Standard spot, £30 7s 6d; future, £30 15s.
Tin: Spot, £226 7s 6d; future, £226 7s 6d.
Lead: Spot, £10 15s; future, £11.
Zinc: Spot, £13 15s; future, £13 15s.
Silver: 20⅝ per ounce.
Gold: 137s 7½d.
Canada—July 3—
Gold: $34.39.

REPORT NORANDA WILL USE OPTION ON CAN. RESERVE

Official Confirmation Awaits Result of Auditors' Examination

While an official statement is being withheld pending an auditor's report currently being prepared, The Financial Post is reliably informed that Noranda Mines is interesting itself in shares of Canadian Reserve Mines, formed to develop the Costello group of Proprietory Mines and the property of Crown Reserve Consolidated Mines, in the Larder Lake area.

Canadian Reserve Mines was formed in December of 1932, but did not start to function until February, 1933. Prior to its formation, Crown Reserve and Proprietory were independent, the three Costello claims of Proprietory being completely surrounded by Crown Reserve property. A shaft had been sunk to a depth of 1,000 ft. on Proprietory property, and less than 400 ft. away, another shaft of 1,250 ft. depth had been sunk by Crown Reserve. While the latter company had no mill or equipment, Proprietory had a 500 ton mill, and complete equipment, as well as power facilities from the hydro-electric plant at Raven and Corset Falls, nine miles away. At the time Canadian Reserve was formed, all these assets were sold by Proprietory for 2,000,000 shares of Canadian Reserve Stock. Crown Reserve property was sold on an exchange of shares basis.

The agreement whereby Noranda will purchase a block of Canadian Reserve stock was ratified by shareholders of Canadian Reserve three weeks ago without a dissenting voice. It is understood that Noranda now has a crew of 50 men on Canadian Reserve property making a check-up and preparing a report. While the report has not yet been made public, it is understood that Noranda is prepared to take up its option. The exact amount of this option is not known.

Official confirmation or denial of this report is expected in the course of the next few days.

McCuaig Red Lake Gold Acquire Property in B.C.

With the hope of earning enough capital to develop its holdings in the Red Lake district of Ontario, McCuaig Red Lake Gold mines have taken over the property of Summit Gold Mines in the Sheep Creek area of British Columbia. Incorporated with an Ontario charter in February of this year, McCuaig Red Lake intends to bring its new property into production as soon as possible. An examination has already been made by A. G. Langley, of Langley and Miller, consulting geologists of Vancouver. Percy Hopkins, M.E. has been sent into the property to make a report, which is expected within the next few days.

Only a small area of the Summit property has been prospected, but, according to a recent survey made by A. H. Gracey on behalf of the Dominion Government, "future value of the property depends on the development of the contact zone, where the geological conditions, and the results of work already done, warrant the belief that valuable ore bodies exist."

The group was acquired from J. B. O'Brien, K.C. of Toronto, in consideration of a cash payment and a block of shares contributed by vendors and from the treasury of McCuaig. The company is continuing development work on its Red Lake property.

East Crest Holdings Plans Second Salt Dehydrator

From Our Own Correspondent

REGINA.—A second de-hydrating plant for recovery of sodium sulphate deposit from Whiteshore Lake will be erected by the East Crest Holding & Development Co., Calgary. The area leased covers an area on the east end of the lake.

The East Crest Company has been carrying out a new process in tests at Calgary which consist of the use of horizontal rotary driers with innovations. A Dr. Sayer, of Vancouver has patented the process. The company is reported to be well financed.

The first company to operate on the Whiteshore Lake was the Whiteshore Lake Salts & Chemicals and it endeavored to treat the salts over a period of years without success. An attempt will be made this summer with direct evaporation in horizontal kilns which calls for remodeling of the plant.

Mining Concerns Newly Formed

Formed

Ellen Gold Mines—Ont. Incorp. May 30; H. O. Toronto; Capit. author. $3,000,000, par $1.

Flinflon Development Corp.—Dom. Incorp. May 31; H. O. Toronto; capit. author. 100,000 shs. of n.p.v.

General Mining & Development Ltd.—Ont. Incorp. May 30; H. O. Trafalgar Twp., Ont.; Capit. author. $500,000, par $1.

Met-Mac Prospectors Ltd. — Que. Incorp. June 6; H. O. 407 McGill St., Montreal; Capit. author. $99,000, par $1.

Marysville Mining Co.—Dom. Incorp. June 7; H. O. Toronto; Capit. author. 2,500,000 shs. of n.p.v.

May-Spiers Gold Mines Ltd.—Ont. Incorp. June 7; H. O. Toronto; Capit. author. $3,000,000 par $1.

Wanapitei Basin Mines—Ont. Incorp. June 7; H. O. Toronto; Capit. author. $3,000,000, par $1.

Merged

Brookbank Mines Ltd. — Name changed by Ont. S. L. P. dated June 2, 1934, to Casey Contact Gold Mines.

Extinct

Porcupine Ores & Metals — Surrender of Ont. charter, dated Feb. 9, 1934, accepted June 7, 1934.

Siscoe Earns About $604,480 In Six Months

An estimate of earnings by Siscoe Gold Mines for the first six months of 1934, that is, all but the last ten days, is officially given at $604,480, equivalent to 13.1 cents per share, outstanding.

This compares with 19 cents per share for the whole of 1933 and indicates close to 30 cents per share for earnings for the whole of 1934.

Gross income from Jan. 1 to Jan. 20 amounted to $1,040,972. Operating costs totalled $320,387, leaving an operating profit of $643,480 which, after reserves, brought the net profit down to $604,480.

The following tabulation gives comparative production figures for the period under review:

1934:	Tons milled	Daily average	Recov. per ton	Gross bullion value
Jan.	9,740	314	$17.82	$173,611
Feb.	9,102	325	18.65	169,815
Mar.	10,259	330	16.76	171,969
Apr.	10,055	335	17.18	172,801
May	9,865	318	17.44	171,990
June*	9,979	333	18.00	180,786
Total	59,000		$17.60	$1,040,972

*To June 20.

RAILWAY PROJECT IS BEING PUSHED BY CON. SMELTERS

Company Sends Engineers to Make Preliminary Plans

From Our Own Correspondent

VANCOUVER.—Consolidated Mining & Smelting Co. is sending its engineers to make preliminary plans for the route of the proposed railroad from Stewart on the west coast to the central interior of British Columbia.

While actual construction will be limited during the present season owing to the low price of metals, the company proposed to go ahead with the project and has no intention of abandoning it, according to J. J. Warren, president. The company plans to spend at the modest rate of $10,000 a month during the summer, and progress after that will depend on the condition of the metal market. Mr. Warren says that an extensive construction programme at this time would not be justified.

The company's charter, which was a subject of sharp debate in the British Columbia legislature at the last session, allows it to build a railroad up the Bear River valley from Stewart as far as Fort Graham. Under present legislation the company must start work this year and the government can then extend its charter from time to time, provided the whole project is completed within five years.

B.R.X. COMPLETES FINANCIAL PLANS FOR BUILDING MILL

Expect Shaft to Reach Objective by End of July

From Our Own Correspondent

VANCOUVER. — Arrangements have been completed for the financing of a mill on the B.R.X. property in the Bridge River districts, according to Major A. E. Jukes, who has returned from the east, where he found keen interest had been developed in the British Columbia field.

Major Jukes says that by the end of July the three-compartment shaft should attain its objective, and after some cross-cutting at the new low depth the company should be in a position to proceed with erection of the proposed mill early in the fall.

The shaft is now down 385 feet in albitized and heavily mineralized greenstone with the vein under the footwall of the shaft. Sinking is proceeding smoothly, states E. R. Shepherd, superintendent, and there is no water in the shaft.

A showing of ore seven ft. wide was recently disclosed by a short crosscut at 342 ft. in the shaft. It was the best showing in the shaft at that date and carried considerable arsenical pyrite.

Dredging Operations Start on Fraser River in B. C.

From Our Own Correspondent

VANCOUVER.—Camp buildings are now being erected near Cisco on the Fraser River for the Frenchman's Bar Dredging Synd., which will soon operate a dredging lease there.

The syndicate will operate with a "marine gold dredge," using divers to operate the dredge nozzle on the river bottom, the compressor and other necessary equipment being carried on the pontoon barge anchored in the river. Operations are expected to commence about July 15 and will be under the personal direction of Frank P. Carson, inventor of the dredge.

United Placers, Ltd., is another company arranging to resume dredging operations on its lease near Lytton.

B. C. Gold Recovery Synd. is preparing to start dredging on the Thompson River.

May Treat Glacier Creek Ore in Dunwell's Mill

Glacier Creek Mining Co., owning eight Crown-granted claims adjoining the Dunwell mine in the Portland Canal mining district of British Columbia, reports development under way with sufficient funds to complete its present programme.

Power for operations is supplied from the adjoining Dunwell and the portal of the tunnel is adjacent to the Dunwell mill and plans call for arrangements to be completed with this company to treat the ore developed. The company is headed by R. M. Stewart as president and general manager who reports the company has no liability and that 888,545 shares out of the 1,000,000 shares authorized are outstanding.

LEADING HOUSE BUYS BIG SHARE IN CENTRAL PAT.

Nesbitt Thompson Takes Prominent Position in Young Producer

The interest big financial houses are taking in gold mining enterprises is one of the bright spots in mining finance at the present time. The most recent organization to become interested in a big way is Nesbitt, Thompson and Co. which has branches throughout Canada and is known particularly for its interest in hydro-electric developments. A few weeks ago it figured prominently in the financing of the Pickle Crow Gold Mines, which is giving such a good report of itself and has a mill under construction planned for completion this winter. Now the company, in co-operation with W. C. Pitfield & Co., has taken up a block of shares in another Patricia district gold producer, Central Patricia Gold Mines.

The entry of Nesbitt, Thompson into the Central Patricia picture is not in the rôle of financing the company but rather to obtain a prominent position in a young mine that is fast giving a good account of itself. Last year André Dorfman, Toronto financier, and associates financed the company to production and then this year took up another block of treasury shares to provide funds for the electrical transmission line. At the time this financing was arranged by F. M. Connell, president of Central Patricia, difficulty was experienced in interesting capital in Patricia gold mining undertakings. Then a year's delay was experienced by losing part of the heavy equipment in the lake, all of which had an adverse effect on the shares of the company. Nevertheless, the options were taken up to provide funds. The real importance of the property was not fully understood until production started a couple of months ago, when the grade and width of the ore was shown to be considerably better than had been originally estimated.

Made Private Report

Long before production started, it is known that Nesbitt, Thompson & Co. were interested in taking a share position in Central Patricia, but before doing so had a detailed report on the mine and operation by two of Canada's outstanding mining men, Cyril Knight, geologist, and V. C. Emery, consulting mining engineer. Their report was a private one, in effect apprising Nesbitt, Thompson of the probable value of the shares. It is interpreted that the report was optimistic as Nesbitt, Thomson proceeded to take up the block of shares from Mr. Dorfman and associates.

It is understood that Mr. Dorfman and associates are very much in the same position as Dome Mines was when that company helped finance East Geduld Mines, that is, it sold sufficient of its original share purchases at sufficient profit to practically return its initial outlay, leaving it a big block of shares that largely represents profits in the undertaking.

GABRIELLE DRILLING ENCOUNTERED VEINS

Aggressive Programme Under Way at Manitoba's First Gold Mine

In an official report to directors, George E. Salter, mine manager of Gabrielle Mines, at Bay Rice Lake, Manitoba, reviews diamond drilling results and states that the present shaft objective of 340 ft. depth will be reached before the end of August. It is presently down around 100 ft.

In a diamond drilling programme completed early this month a total of 1,676 ft. of drilling in four holes confirmed the westerly extension of the geological features found in the San Antonio property immediately to the east. Hole No. 4 to a depth of 580 ft., drilled 200 ft. from the San Antonio boundary, encountered a large lens of feldspar prophyry at least 100 ft. in width and intruding the greenstone on the hanging wall side.

Drilling Encounters Veins

Hole No. 5, drilled to a depth of 285 ft., 700 ft. west of hole No. 4, located the greenstone north contact to show that the prophyry had been practically cut out in this direction.

Hole No. 6, drilled to a depth of 291 ft. and 200 ft. south of hole No. 5, encountered two major mineralized veins. The first vein in the centre section gave $64 across 2.4 ft. and in the second vein the centre section gave $11.50 across five ft., all valuing gold at $20 per oz. In addition, both veins are reported as carrying enough values to support widths.

Hole No. 7, drilled to a depth of 520 ft. and located 300 ft. west of hole No. 5, encountered several encouraging vein sections, the two strongest showing 5.6 ft. and 3.2 ft. width respectively. Assays are not yet obtainable from this drill hole. This vein is seen as the westerly extension of the vein located in the original drilling on the property called the new or No. 5 vein which showed good values.

New Camp Constructed

Summarizing drilling, Mr. Salter says that the ore intersections in further support of the intersections obtained in earlier drillings, indicated continuity with good widths on the Gabrielle ground.

Camps for 20 men have been installed and the new government road crossing the property is being rushed to completion.

It will be remembered that the Gabrielle was the first property staked in the Big Rice Lake area. In 1912 a small test mill installed on the Gabrielle was the first attempt at gold milling in Manitoba. Immediately to the east is the San Antonio Gold Mines, the first dividend-paying gold mine in the province.

Quatsino Copper-Gold Mines.—The company is carrying on exploration work on claims acquired near Duck Creek in the Cariboo district, while its main property, adjoining the Coast Copper Co. is inactive. As at December 31, 1933, current assets totalled $35,611 and current liabilities $347.

Bridge River District To Get Power July 15

From Our Own Correspondent

VANCOUVER. — Power to be supplied by B. C. Electric Railway will be available in the Bridge River mining district about July 15.

According to E. E. Walker, sales engineer for B. C. Electric, the high tension line has been built to the Bradian mine.

The penstock bringing the water down the mountain to the power-house has been completed, and work on the power-house is well advanced. Transformer sites are being cleared at Bralorne and Bradian mines as soon as it arrives. Distribution lines will be ready for service to Bralorne, Fish Lake and Goldbridge townsites by the end of August.

SLIGHT DECREASE IN TRADING FELT ON JUNE 'CHANGE

Activity in Senior Golds Keeps Value From Dropping

A slight decrease from the high of May was noticeable in June trading on the mining section of the Toronto Stock Exchange, where 20,622,114 shares were exchanged, as compared with 22,573,766 in May.

To a lesser extent the decrease was reflected in the values of transaction which were $17,526,042, whereas in May the value was $18,606,267. The fact that the decrease in values was less than that in volume is credited to the fact that senior issues were more active.

Gold stocks, which were the greatest factor in trading, showed widely fluctuating price trends. Dome showed the greatest price appreciation of the senior golds with an advance of $4.85. Lakeshore with about 20,000 shares was up $3.90; McIntyre, with about the same turnover, was up $3.15; Hargreaves, with 50,000 was up 65 cents; Teck-Hughes with 84,000 was up 30 cents.

Little Long Lac Feature

Among the secondary golds, Little Long Lac stole the show with some 170,000 shares changing hands, ending the month 55 cents higher; San Antonio, with 150,000 was up $1.13; while God's Lake, with nearly 300,000 shares changing hands, showed a gain of 49 cents. Following Wayside's loss of some 26 cents, B. C. issues came under pressure, and dropped off slightly.

Silver and base metals had Falconbridge down 22 cents and Eldorado 36 cents. Below are shown sale and values for the month, compared with other months:

	1934	1933
Sales		
June	20,622,114	41,403,233
May	22,573,766	27,340,309
Apr.	60,614,259	11,194,513
Mar.	65,990,790	11,021,740
Feb.	36,926,133	20,157,268
Jan.	29,114,193	18,777,251
	235,841,255	129,849,314
Values		
June	$17,526,042	$51,994,402
May	18,606,267	40,667,846
Apr.	37,054,681	21,791,703
Mar.	42,741,413	9,596,683
Feb.	22,432,773	21,757,062
Jan.	18,100,306	10,142,654
	$156,461,482	$155,950,350

S.G.R.'s Hottah L. Claims Gave High Silver Assays

A new field has been made at the Hottah Lake holdings at S.G.R. Mines in Northwest Territories, officials report. Early this spring when the Hottah Lake area became a new centre of interest in the Northwest Territories S.G.R. officials staked ten claims along a main break traced for some 5,700 ft., showing 40 ft. to 100 ft. in width. From a vein traced for 800 ft. on the surface, grab samples were taken that assayed 300 oz. silver per ton as well as pitchblende and in the same vein free gold was reported found. At the present time operations are confined to the company's original holdings adjoining B.E.A.R. at Contact Lake. In this area further claims have been staked adjoining B.E.A.R. in Contact Lake as an extension of the B.E.A.R. water holdings. In addition, S.G.R. has the Sunshine group of claims to the south of Contact Lake. No work is being done in this point, however.

Funds for operations are being provided, principally by a London, Ontario group and it is said this is sufficient for carrying the limited exploration now under way.

Movements of Mining Men

Arthur Notman, consulting engineer of New York, stopped off in Toronto on his way back from British Columbia. Mr. Notman has been away from his New York office for nearly two months, during which time he made a study of the properties in the Patricia district of Ontario.

Andre Dorfman, Toronto financier, has returned home after a business trip abroad.

Que. Mineral Production Shows Big Advance in May

May mineral production in Quebec, according to the Bureau of Mines, shows a big advance over the April figures. The following tabulation gives comparative production for April and May, 1934.

Asbestos:		
Fibre, tons	13,171	10,611
By-products, tons	510	276
Precious Metals:		
Gold, ounces	32,186	29,618
Silver, ounces	41,092	34,822
Building Materials:		
Clay products	$64,831	$53,547
Lime, tons	10,524	7,864
Cement, barrels	169,790	85,301

WAYSIDE REPORT INCITES DEMAND FOR GOV'T PROBE

Minority Group Want Conduct of Officials Fully Investigated

At a meeting of a group of about 50 minority shareholders of Wayside Consolidated Mines, representing some 300,000 to 400,000 shares, criticism was voiced of the directorate, management and fiscal agents of the company and a resolution has been forwarded to the Premier of British Columbia requesting an investigation into the conduct of the company officials.

The meeting was called as an outgrowth of the report by Arthur Notman, New York consulting engineer, on the property, advising that no more work be done. Shareholders had been led to believe that it was a promising property and that a mill would be constructed. In fact, foundations for the mill were started early this spring.

Stock Takes a Dive

About a year ago Toronto interests became associated with the Vancouver Stock & Bond Co., Ben Smith, Victor Spencer and Dave Sloan who refinanced the company and took up 450,000 shares at 30 cents each. The stock reached a high of 75 cents per share last year and with the news of the Notman report it crashed to ten cents per share.

The company is headed by Frank Eichelberger, an experienced mining engineer of San Francisco who joined the board last summer when the new interests undertook to refinance the company.

In the official statement given out last week synopsizing Engineer Notman's report, it was announced that Col. H. H. Yuill, well-known Vancouver mining engineer, would make an examination at once to check up on the Notman report.

In the meantime, the protective committee formed in Toronto and comprising the minority shareholders has forwarded the following report to Premier Pattullo of British Columbia:

Text of Protest

"Whereas it is deemed expedient in the interest of shareholders of Wayside to form a protective committee to look after the interests of the shareholders; it is believed that there must have been some mismanagement in the conduct of the said company to permit of the issuance of reports which have been issued in the past six months representing the property of the company. It is believed that an investigation should be held into the affairs of the company and the conduct of officials."

The resolution also carried the stipulation that "the government of British Columbia be requested to conduct an investigation into the affairs of the company with the purpose of ascertaining what, if any, mismanagement has taken place in the affairs of the company, whether false and misleading reports have been issued concerning the company's property, and whether the shareholders have been properly protected with regard to the operation of the company."

At the Mines

Hollinger Consolidated Gold Mines. — Through its subsidiary, Hollinger Exploration Co., a deal with S. J. Fitzgerald has been completed whereby the company acquires the Johnston property at Little Long Lac area, immediately adjoining the Little Long Lac Gold Mines. Exploration work is to start at once.

* * *

MacLeod-Cockshutt Gold Mines.—The company's shaft at its property in Little Long Lac area is presently down over 50 ft.. The financial statement shows $77,019 in cash on hand. Of the authorized capitalization of 3,000,000 shares 1,827,505 were outstanding on June 20 last. Funds are being supplied by the Connell Mining & Exploration Co. under an underwriting agreement.

* * *

Pontiac-Rouyn Mines.—A diamond drilling programme is being carried out at the company's property in Rouyn township, Quebec.

* * *

Taylor Windfall Gold Mining Co.—A small mill has been purchased and is being forwarded to the company's property 40 miles northwest of the Bridge River area.

* * *

Thurlow Gold Mines.— Capital for the further development of its property is still awaited, according to official advice. Financial statement dated October 31, 1933, shows current assets of $51 and current liabilities of $3,667. Of the authorized capitalization of 2,000,000 shares at 25 cents par value, 1,231,499 were outstanding on March 1 last.

* * *

J. M. Consolidated Mines.—The first gold brick shipped from the company's property in the Patricia district weighed 161¾ oz. valued at $5,661 with gold at $35 per oz.

* * *

Smelter Gold.—The shaft has reached a depth of 230 ft. toward its objective of 500 ft. and a station has been cut at 250-ft. horizon where a crosscut is to be put out through the vein.

* * *

Nova Scotia Gold Mines.—A report from James Chilchey, mine superintendent, advises drifts over approximately 45 ft. getting better ore. Expected to run one ounce gold per ton. The mill is running full time.

* * *

Meridian Mining Co.—W. B. Pool has been appointed managing director of the company. A raise is being driven from the No. 2 tunnel to the No. 1 on the Criterion workings, but assays are not yet available.

* * *

Aldermac Mines.—Milling operations are to be resumed about mid July, following extensive damage to the company's buildings by bush fires.

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DOME PROFITS BY INVESTMENT IN EAST GEDULD

Working Profit For 1933 Reported £1,023,358 By Rand Producer

East Geduld Mines a young producer on the Far East Rand, in which Dome Mines is a substantial shareholder, has proven a profitable investment which confirms the wisdom of Dome officials in investing in this steadily expanding property.

At the seventh annual meeting a working profit for 1933 was reported at £1,023,358, more than three times that in 1932. Out of this working profit government taxes on gold premium and donations brought the net profit to £663,424, of which £553,500 was distributed to shareholders in two dividends of 3s. 3d. and 3s. 9d., respectively.

Ore reserves are estimated at 4,750,000 tons valued at 7.3 dwt. over a stoping width of 58 inches. This shows an increase of 850,000 tons and an increase in grade of .2 dwt. in value.

Tonnage Is Increased

During the first four months of the current year a substantial increase in tonnage was treated and the mill is now treating at an annual rate of 910,000 tons of ore. In the first four months the grade averaged seven dwt. per ton milled and the working profit amounted to £437,132.

Another favorable angle of East Geduld's development is the Grootvlei in which it has a very substantial interest and, therefore, the development at this property will profit Dome indirectly through East Geduld. Here a new shaft is being sunk coincident with the extension of the workings from the East Geduld mine. The importance of this property can best be judged by its neighbors, East Geduld on the west boundary and Daggafontein on the south which is showing good results at deeper levels.

Dome Mines, formerly owned 90,000 shares of East Geduld at a cost of about $1,000,000. With the advance in market for East Geduld shares a few months ago some 45,000 shares were sold at a price that covered the cost of the entire 90,000 shares and left a profit as well. There has been no recent announcement that the remaining shares have been sold by Dome.

Astoria Rouyn Listed On Toronto Exchange

Shares of Astoria Rouyn Mines have been approved for listing on the mining section of the Toronto Stock Exchange.

The company has two groups of claims in Northwestern Quebec—one of 300 acres in Rouyn township and another of 400 acres in Louvicourt township where surface work and 1,000 ft. of diamond drilling constitutes the work that has been done to date.

As at December 31, last, the current assets totalled $51,023 comprising $1,017 in cash and $50,006 in industrial bonds. Current liabilities were nil.

Out of the authorized capitalization of $5,000,000 $1 par value shares 3,009,000 shares are outstanding, given in return for properties and $100,000 replaced in the company's treasury.

Options are outstanding on 600,000 shares to net the treasury $53,000 or an average of approximately nine cents per share. The company is headed by J. E. Panguay as president and Hon. Geo. Parent, both of Quebec City.

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TWO PROPERTIES IN MIDWEST AREA GIVEN NEW LIFE

Canadian Mining Projects Plan to Launch Ambitious Flotation

Two major mining developments in Manitoba are being backed by Canadian Mining Projects Ltd., which also owns properties in northwestern Ontario.

At Morton Lake, 20 miles east of the Sherritt Gordon Railway, the North Star and Gold Shower groups have had extensive stripping, trenching, and sampling, the east vein over a length of 400 ft. and the west vein over a length of about 500 ft. Both these veins extend for much greater lengths. It is considered probable that the company will develop both North Star and Gold Shower as a single group. Channel sampling on the various veins indicates satisfactory gold content, the company claims.

Toward the end of June, a crew of 18 men were moved into Morton Lake to get initial operations under way. The work is being planned under the direction of John Drybrough, consulting engineer.

Make Public Offering

At Wekusko Lake, on the old McCafferty property 26 miles north of mile 81 at Hudson Railway, Canadian Mining Projects has spent about $60,000 in trenching, stripping, shaft sinking, and drifting on the 90-ft. level. One possible ore shoot is reported by the company as indicated over a length of 286 ft. having an average gold content of .47 ounces of gold over an average width of 2.5 ft. On the 90-ft. level the vein has widened to from four to five ft. One 75 ft. of drifting showed higher values, with free gold fairly abundant. Other veins on the property are being examined, and A. J. McLaren, company engineer is at present on the property with a crew and development work is to be pressed. Company reports a large addition is to be made to the crew, and camps are already being prepared.

In its first 18 months of exploration and acquirement of properties, Canadian Mining Projects, formally incorporated in January of this year, has been financed by a small group. It is understood, however, that a public offering, entailing the third largest flotation as yet initiated in the midwest, will soon be made, to finance the proposed development at the North Star-Gold Shower groups at Morton Lake, and on the McCafferty at Wekusko Lake.

The directorate of Canadian Mining Projects is as follows: President, G. R. Laycock, manager of the Manitoba Chamber of Mines; vice-president, W. J. Dickson, also a director of San Antonio Gold Mines; W. S. Tomlinson, president of the Tomlinson Construction Co.; C. S. Langille, manager of the Eastern Terminal Elevator Co.; A. J. McLaren, B.A., B.Sc., formerly inspector of mines for the Province of Manitoba, which position he resigned in order to join Canadian Mining Projects.

Sylvanite's Earnings Well Above Dividends

At the annual meeting of shareholders of Sylvanite Gold Mines, held in Kirkland Lake last week, Edward L. Koons, president of the company reported that the earnings for the first quarter of the current fiscal year, that is for the three months ended June 30, were considerably in excess of dividend requirements.

The existing shareholders were reelected for the ensuing year and the meeting was largely of a routine nature.

Mr. Koons commented on mining operations as follows:

"Conditions in the upper levels continue good, particularly in the easterly section. The crosscut run on the 800-ft. level from the No. 2 shaft to the north vein has opened up a considerable quantity of ore running slightly better than mine average. Recent diamond drill holes on the 800-ft. level have indicated new ore possibilities in the vicinity of No. 2 shaft.

"At depth on the 3,600-ft. level, we have every reason to believe that the work contemplated on the south vein will show results similar to the levels above."

Form Lake Caswell Mines To Take Over West Tree

Lake Caswell Mines has been incorporated with a capitalization of $3,000,000 in $1 par value shares to take over the old West Tree Mine in the Shining Tree area of Ontario.

The new company is headed by Gordon Plaxton, well known Toronto solicitor. The property was formerly owned by the Champion Reef Mining Co. and was later acquired by the Burvan Gold Mines, which was the vendor to the present company in consideration of 1,144,444 shares of which 868,665 are retained in pool. It is understood that an aggressive development programme is to start at once. A shaft has been sunk to a depth of 500 ft. and first work will be on the No. 4 vein.

Horseshoe Mines Figure In New Financial Deal

Operations are being resumed this month again at the Horseshoe Mines, 42 miles south of Kenora, Ontario, and The Financial Post is informed that a new financial arrangement has been entered into to provide funds for further development. The agreement with Draper, Dobie & Co., was terminated. As at June 15, 2,095,221 shares out of the authorized capitalization of 4,500,000 shares were oustanding.

Trans-Canada Invest. Pays 17.6 Cents Share

Trans-Canada Investment Corp. announced a dividend of 17.6 cents per share, payable June 1, at the office of the trustee, Yorkshire and Canadian Trust Ltd., Vancouver.

It is understood that all 15 companies in the portfolio are paying dividends, and as several of these have increased their rate of dividends recently, there is some expectation of a larger dividend next time.

VIDETTE STEPS UP MILL OPERATIONS

B. C. Company to Increase Ore Handled from 33 to 70 Tons Per Day

From Our Own Correspondent

VICTORIA.—Milling operations at Vidette Gold Mines near Savona, B.C., are to be stepped up from 33 tons a day to about 70 tons a day, according to an official announcement by the management of the company.

At the present time, the mill is producing two tons of concentrates a day containing 25 ounces of gold valued at $875. Over 30 per cent of the mill run is said to consist of development rock but mill heads, in spite of this are reported to be averaging .7 oz. gold per ton.

Mining and milling costs are running around $10.50 a ton, although officials state that this figure will be reduced when the mill capacity is stepped up.

Two new 140 h.p. Fairbanks-Morse engines have been installed, one of which is directly connected to a generator, which electrifies the entire milling plant.

Gordon F. Dickson, managing director and engineer in charge of the company's operations who has just returned from the property estimates the indicated ore reserves at 45,000 tons.

Superior Gold Mines Plans New Well in Montana Area

Superior Gold Mines is contemplating drilling another well on its acreage in the Montana section of the Red Coulee field where it presently has six producing wells.

At the company's Greenwood mining properties work is being pushed as fast as possible to put this property on a paying basis. A 40-ton car of ore has been shipped from the North Star claims adjoining Dentonia and W. E. McArthur, superintendent of the property, expects to have another car ready by July 1. M. M. Reese, the company's engineer recommends a 100 ton mill.

It is expected that electric power will be available by July 15.

The company has secured an option for a five-year lease of the Providence mine at Greenwood, and this property has been dewatered to the 500 ft. level.

Okalta Oils Ltd.—At a recent special general meeting, shareholders confirmed sale to Royalite of three wells and certain oil leases in central Turner Valley for consideration of 12,800 shares of Royalite stock and $6,400 in cash. The drilling of a well on property adjacent to Highwood Sarcee was also approved by shareholders.

Mining Stock Quotations

Week Ending July 2, 1934

Par Val.	Range 1934 High	Low	Company	Sales	Close June 26 (or last)	High for week	Low for week	Close July 2
1	.06	.01	Aconda	6,000	.02	.01½	.01½	.01½
No	.33	.13	Aldermac	13,900	.21	.21	.19½	.19½
1	.10	.02¾	Alexandria	34,600	.04½	.04½	.04	.04
No	.18	.09	Algoma	16,500	.12	.12½	.11	.11
1	.04	.01½	Amity Copper	24,800	.02½	.02½	.01½	.02
No	4.51	2.00	Anglo-Huronian	6,232	3.80	4.51	3.75	4.50
1	.08½	.03	Area	36,100	.03½	.03½	.03	.03
No	.20	.03	Arno	100	.03	.04	.04	.04
1	1.25	.62	Ashley	11,800	.80	.78	.62	.65
1	.17	.14½	Astoria Rouyn	16,910	.....	.17	.14½	.16½
1	.60	.04	Bagamac	349,000	.11	.18½	.11½	.16
1	.04½	.00½	Baldwin	20,500	.02	.02½	.02	.02½
1	.22	.09½	Barry Hollinger	13,500	.10	.10	.09½	.09½
1	2.05	1.20	Base Metals	5,800	1.20	1.25	1.20	1.23
5	.91	.20	B.E.A.R.	10,300	.21	.22	.20	.20
1	.51	.26½	Big Missouri	16,317	.28	.30	.27	.30
1	.64½	.23	Bobjo	85,150	.48	.55	.48	.54
1	3.55	2.40	Bradian	5,850	3.50	3.50	3.45	3.45
No	15.50	9.90	Bralorne	17,566	14.90	15.30	14.90	15.20
1	.16	.05	Brett Trethewey	14,000	.05½	.05½	.05	.05
50c	1.40	.28½	Bridge River Ex.	32,700	1.01	1.14	1.00	1.13
1	.09	.01½	Brownlee	141,600	.02½	.03½	.02½	.03
1	.02½	.00½	Buckingham	4,000	.01	.01½	.01	.01
1	2.66	1.90	Buffalo Ankerite	23,880	2.20	2.66	2.20	2.60
No	.14	.06	Buffalo Can.	56,000	.09½	.09½	.08	.09
5	34.50	23.50	Bulolo Gold	320	32.00	32.75	32.50	32.50
No	.05½	.01½	Bunker Hill	66,000	.02½	.03½	.02½	.03
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	1,000	.05	.05	.05	.05
1	.20	.05	Can. Kirkland	43,200	.06½	.07	.05	.06½
No	.72	.38	Can. Malartic	17,955	.56	.60	.56	.58
1	.02½	.00½	Capital Rouyn	10,500	.01	.01½	.01	.01
1	2.85	1.00	Cariboo Gold	2,250	1.35	1.50	1.35	1.37
1	.09	.01	Cartier Malartic	13,910	.04½	.04½	.03½	.03½
1	.81½	.49	Castle Trethewey	15,400	.54	.60	.53	.57
1	.16	.07	Cen. Manitoba	7,700	.08½	.08½	.08	.08
1	.87	.54	Cen. Patricia	208,898	.71½	.87	.70	.86
No	.16½	.05½	Chibougamau Pros.	134,475	.14½	.15	.13½	.14½
No	.15½	.05	Church. M. & Mill	11,600	.06	.06½	.06	.06½
No	.14	.06½	Clericy new	8,775	.07	.08	.07	.07
1	.03½	.01	Clifton Cons.	6,000	.01½	.01½	.01½	.01½
5	5.75	4.00	Coast Copper	......	4.00	.....	.....	.....
1	.06½	.03½	Cobalt Contact	23,000	.03½	.04	.03½	.04
1	.94½	.25	Columario	11,800	.29	.27	.25	.25
5	2.45	1.35	Coniagas	310	2.00	1.91	1.90	1.90
No	1.60	.97	Coniaurum	14,007	1.40	1.45	1.35	1.45
25	170.25	132.00	Cons. Smelters	816	147.50	152.00	145.00	150.00
No	45.50	32.25	Dome Mines	12,931	43.25	45.50	43.00	43.50
No	.07½	.02	Dom. Explorers	3,200	.03	.03	.03	.03
1	.02½	.00½	Dominion Kirk.	2,000	.01½	.01½	.01½	.01½
1	.02	.00½	Don Rouyn	......	.00½	.....	.....	.....
1	.17½	.01	Duparquet	40,525	.12	.15	.11	.14½
1	4.40	2.05	Eldorado	18,945	2.15	2.20	2.05	2.09
No	4.15	3.00	Falconbridge	2,455	3.50	3.60	3.48	3.60
1	.11½	.01½	Federal	11,500	.03½	.04	.03½	.04
No	.07	.02½	Gilbec	48,700	.03½	.04	.03	.04
No	1.95	.70	God's Lake	84,775	1.71	1.95	1.67	1.94
1	.21	.08	Goldale	192,000	.15	.21	.14	.20½
50c	.46	.42	Gold Belt	......	.42	.....	.....	.....
10	.57	.16	Goldfield	600	.25	.26	.25	.26
1	.43	.17	Goodfish	2,900	.18	.20	.18	.19½
1	.18½	.02½	Graham Bosquet	20,700	.09½	.09½	.09	.09
1	1.09	.56	Granada Gold	12,470	.59	.59	.56	.58
No	.53	.34	Grandora	28,300	.42	.53	.43	.50
1	1.22	.66	Greene Stabell	80,300	.75	.80	.75	.80
1	.18	.05	Grozelle	......	.09	.....	.....	.....
1	.48	.17	Grull Wihksne	6,000	.17	.19	.17	.19
1	1.85	1.28	Gunnar Gold	37,605	1.67	1.85	1.65	1.85
1	.53½	.14	Halcrow Swayze	17,300	.16½	.16	.14	.16
1	.15	.03½	Harker	27,300	.11½	.11½	.10½	.11
1	.02½	.00½	Hilltop	500	.00½	.00½	.00½	.00½
5	19.50	11.40	Hollinger	9,896	17.45	18.10	17.60	17.70
1	1.40	.93	Howey Gold	20,900	1.32	1.33	1.29	1.30
No	14.50	9.00	Hudson Bay	1,225	13.60	13.90	13.30	13.30
1	14.25	10.45	Inter. Mining	......	13.30	.....	.....	.....
	6.25	4.00	Do., Pur. Warr.	20	5.50	5.00	5.00	5.00
No	29.00	21.15	Int. Nickel	14,477	25.00	26.05	24.90	25.50
1	.48	.28	J. L. Cons. Gold	83,710	.42	.48	.40	.43½
1	.03	.00½	Keora Mines	2,000	.01½	.01½	.01½	.01½
1	.73½	.45	Kirk. Hud. Bay	700	.66	.65	.61	.61
1	.05	.00½	Kirk. Hunton	500	.01½	.01½	.01½	.01½
1	.76	.29	Kirkland Lake	124,645	.54	.67	.56	.65
1	.40½	.21	Kirk. Townsite	16,200	.26	.29	.25	.26½
20c	.02½	.01	Koot. Florence	2,000	.01½	.01½	.01	.01½
1	.23	.02	Lakeland	12,500	.03½	.03	.02	.02½
No	.18	.07	Lake Maron	34,500	.09	.10	.08	.08
1	54.50	42.00	Lake Shore	3,889	52.85	54.00	53.00	53.65
1	.03	.01	La Rose	......	.01	.....	.....	.....
1	.26	.08	Lebel Oro	117,250	.16½	.17	.14	.15
No	.22	.10	Lee Gold	22,400	.11½	.12½	.10	.12
No	6.10	4.05	Little Long Lac	40,295	5.15	6.10	5.20	6.05
1	3.05	1.85	Macassa	23,070	2.43	2.57	2.43	2.50
1	.08½	.01½	Malrobic	18,300	.03½	.03½	.03½	.03½
No	.17	.06	Mandy	1,000	.10	.10	.10	.10
No	.29	.21½	Manitoba & Eastern	82,800	.22½	.29	.22	.28½
1	1.00	.30	Maple Leaf	34,625	.32	.32	.28	.28
5	50.00	39.25	McIntyre	5,125	47.40	48.00	47.25	47.25
1	1.67	1.01	McKenzie R. Lake	32,100	1.55	1.67	1.55	1.65
1	.75	.50	McKinley	6,200	.60	.75	.60	.75
No	.06½	.01½	McLeod River	57,600	.05½	.05½	.04½	.04½
1	.73	.39	McMillan	16,600	.66	.70	.67	.70
No	.53	.25	McWatters	13,700	.31	.36	.33	.36
1	1.21	.46	McVittie	13,710	.52	.55	.50	.50
5	1.50	1.25	Mentor Exp. & Dev.	......	1.25	.....	.....	.....
No	2.47	1.60	Mining Corp.	3,526	1.90	1.95	1.81	1.81
1	.08½	.02½	Moffatt Hall	27,350	.05	.05½	.05	.05
1	.20	.08½	Moneta	13,000	.15	.15½	.15	.15
1	.04	.01½	Murphy	16,500	.02	.02½	.02	.02
No	.09½	.02	Newbec	12,300	.03½	.03½	.03½	.03½
1	.06½	.03	Night-Hawk Penn.	13,300	.03½	.04	.03½	.04
5	2.82	2.00	Nipissing	2,925	2.20	2.35	2.15	2.30
No	45.05	33.25	Noranda	4,607	42.60	43.85	42.75	43.25
No	.54	.24½	Nor. Canada	20,900	.29	.34	.28	.30
1	.27	.10	Oeisko	1,000	.11	.12	.11	.12
1	.72	.36	Parkhill	25,040	.42	.44	.40	.43
1	.06	.01½	Pawnee Kirk.	2,000	.02	.02½	.02½	.02½
1	.31½	.19	Paymaster	43,950	.22	.23	.20½	.22
1	1.40	.68	Pend Oreille	4,875	.72	.72	.68	.70
1	.05½	.02½	Peterson Cobalt	3,100	.02½	.03	.02½	.03
1	1.66	1.40	Pickle Crow	32,535	1.52	1.65	1.50	1.65
1	14.15	10.75	Pioneer Gold B.C.	2,915	13.00	13.65	13.10	13.65
1	.08½	.01½	Porcupine Crown	6,800	.04½	.04½	.03½	.04½
	.02	.00½	Porc. Gold Reef	......	.01½	.....	.....	.....
1	.03	.00½	Potter Doal	7,000	.01	.01	.01	.01
1	1.75	1.02	Premier Gold	3,970	1.21	1.22	1.18	1.19
1	.06¾	.01½	Preston E. Dome	4,000	.04	.04	.03	.03
No	.60	.30	Prospectors Air's	......	.40	.....	.....	.....
1	.70	.15	Quebec Gold	10,000	.16	.17	.15	.17
No	.15	.05	Quemont	500	.07½	.07	.07	.07
1	1.73	.27	Read Authier	64,172	1.63	1.73	1.58	1.64
1	1.29	.75	Reno	8,730	.81	.82	.75	.76
1	.02¾	.00½	Ribago	13,000	.01	.01	.01	.01
1	.05½	.01½	Ritchie	4,000	.02½	.03	.03	.03
1	.11½	.01½	Robb Montbray	21,400	.07½	.07½	.06½	.06½
1	5.55	1.75	San Antonio	17,345	4.95	5.25	4.95	5.25
1	1.43	.83	Sherritt Gordon	15,741	.96	.97	.83	.86
1	2.64	1.43	Siscoe	20,300	2.35	2.38	2.30	2.32
1	.07½	.02½	South Keora	4,500	.04½	.04	.03½	.03½
No	.26½	.09½	South Tiblemont	26,100	.13	.14	.13	.13½
No	.45	.08½	Stadacona	164,215	.39	.44	.39	.42
1	.65	.31	St. Anthony	77,305	.58	.59½	.52	.54
No	2.00	1.00	Sudbury Basin	4,790	1.61	1.64	1.55	1.55
1	.16½	.07	Sudbury Contact	6,500	.08	.10	.08	.09½
1	.11½	.00½	Sudbury Mines	81,500	.08	.09½	.08	.09
No	.18	.18	Sudbury Nickel	......	.18	.....	.....	.....
1	.54	.44	Sullivan Cons.	2,705	.50	.46	.44	.45
1	.50	.25	Sullivan Gold	8,850	.40½	.40	.39	.39
1	3.20	1.29	Sylvanite	26,730	2.67	2.87	2.68	2.85
1	8.05	5.75	Teck Hughes	17,810	6.65	6.90	6.60	6.85
1	.59	.20	Thom. Cadillac	19,600	.47	.46	.43	.44½
1	.76	.26	Towagmac	5,800	.50	.49½	.45	.45
1	.85	.35	Treadwell	500	.45	.48	.48	.48
No	.02½	.01½	Vacuum Gas	4,000	.01½	.01½	.01½	.01½
No	1.12	.77	Ventures	14,575	.89	.87	.81½	.84
1	.03½	.01½	Vickers	9,000	.01½	.01½	.01½	.01½
No	1.53	1.02	Waite Amulet	1,763	1.02	1.07	1.05	1.05
50c	.50	.07½	Wayside	159,810	.12½	.12½	.07½	.08½
1	.43	.24	White Eagle	16,425	.25	.27	.24	.24
1	.07½	.03½	White Lake	1,000	.03½	.03½	.03½	.03½
1	.18	.07	Wiltsey Coughlan	11,700	.10	.11½	.10	.10
1	.20	.05	Wood Kirkland	5,200	.13	.13½	.12	.13
No	10.25	6.75	Wright-Hargreaves	12,215	9.20	9.75	9.15	9.65
			OIL STOCKS					
No	.33	.17	Acme Gas & Oil	10,250	.23	.22½	.20½	.21
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	1.02	Ajax	1,400	1.12	1.13	1.10	1.12
1	.25	.11	Alta. Pacific	1,300	.11½	.13	.12	.13
No	.35	.17	Associated	1,400	.18	.20	.17	.18
No	.13	.05	Baltac	8,400	.05	.05	.05	.05
No	1.60	.73	Calgary & Ed.	1,300	.85	.79	.75	.75
1	.15	.06	Calmont	1,000	.07½	.07½	.07	.07
1	.12	.05½	Common Pete	700	.08	.05½	.05½	.05½
No	.65	.30	Dalhousie	1,930	.32	.35	.30	.32
No	.30	.10	East Crest	1,450	.15	.13	.13	.13
No	.58	.09	Erie Gas	3,250	.13	.13	.10	.13
No	.75	.32	Foothills	......	.35	.....	.....	.....
No	1.90	1.10	Home	3,375	1.16	1.19	1.10	1.18
No	.05	.02	Homestead	......	.05	.....	.....	.....
1	.17	.12	Homestead O. & G.	7,400	.14	.14	.14	.14
No	.44	.16	Lowery	500	.20	.17	.17	.17
No	.42	.20	Merland	9,700	.29	.32	.29	.30
1	.48	.10	Midwal	......	.10	.....	.....	.....
5	.17½	.09	Nordon	2,600	.09½	.09½	.09½	.09½
No	.09	.04	Oil Selections	18,700	.04	.04½	.04	.04
No	.34	.15	Olga Gas & Oil	5,200	.17	.19½	.15	.16
1	1.10	.75	Petrol Oil & Gas	100	.75	.75	.75	.75
No	19.55	14.00	Royalite	217	14.00	15.00	14.50	14.50
1	.13	.07	Sarnia Oil	650	.07	.07½	.07	.07
No	.17	.07	South West Pete	......	.07	.....	.....	.....
No	.97	.63	Wainwright West	14,700	.71	.86	.70	.84

VANCOUVER STOCK EXCHANGE
(Transaction for Week to June 26.)

Par Val.	Range 1934 High	Low	Company	Sales	Close June 26 (or last)	High for week	Low for week	Close July 2
1	.09½	.04½	Alexandria	500	.04½	.04½	.04½	.04½
25c	.03½	.01	Bayview	1,000	.01½	.01½	.01½	.01½
20c	.08½	.03	Beaver Silver	......	.03½	.....	.....	.....
25c	.03½	.02	Bluebird	1,000	.02½	.02	.02	.02
1	3.55	2.10	Bradian Gold	3,652	3.12	3.55	3.10	3.45
No	15.00	9.85	Bralorne	1,372	14.80	15.00	14.75	14.90
1	.48	.17	Bridge River Cons.	27,950	.23	.27	.23	.24
50c	1.28	.28	Bridge River Exp.	44,550	.90	1.09	.95	1.04
50c	.27	.18	B. R. Mountain Gold	......	.22	.....	.....	.....
100	99.00	99.00	B.C. Electric, pref.	......	99.00	.....	.....	.....
1	1.76	.51½	B. C. Nickel	32,320	.87	.93	.81	.85
1	1.25	.90	B.C. Silver	......	.....	.90	.....	.....
50c	.29	.16	Butte I.X.L.	3,100	.19	.19	.18	.19
1	.24	.18	Can. Rand	4,000	.20	.20	.20	.20
1	2.90	1.00	Cariboo Gold	26,070	1.06	1.46	1.15	1.37
No	12.60	8.75	Coast Breweries	528	11.00	11.00	10.00	10.00
1	.45	.18	Congress Gold	6,800	.20	.20	.18	.20
25c	.02	.00½	Cork Province	......	.00½	.....	.....	.....
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	......	.02½	.....	.....	.....
No	2.07	.25	Dentonia	26,800	.56	.65	.53	.55
1	.45	.18	Dunwell	3,100	.18	.27	.20	.25
No	.44½	.14	Fairview Amal.	3,600	.14½	.17	.15	.16½
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.30	George Copper	......	.31	.....	.....	.....
50c	.02½	.01½	George Enterprise	......	.02	.....	.....	.....
1	.06½	.01½	Georgia River	8,000	.01½	.01½	.01½	.01½
50c	.08	.01	Glacier Creek	2,000	.04	.04	.03	.03
1	.63	.35	Golconda	1,350	.37	.38	.36	.36
5c	.20	.13	Golconda Ex.	......	.13	.....	.....	.....
50c	.63½	.27	Gold Belt	3,200	.40	.40	.39	.39
50c	.51	.30	Gold Mountain	9,400	.34	.36	.35	.35
50c	.06	.02½	Grandview	5,000	.02½	.02½	.02½	.02½
No	.35	.18	Grange Mines	3,500	.24½	.25	.22	.24
1	.50	.15	Grull Wihkne	9,750	.17	.20	.16	.20
No	.16	.06	Haida Gold	1,500	.10	.06½	.06	.06
	.26	.20	Hedley Amal.	4,200	.21	.20	.20	.20
No	.29	.14	Hedley Sterling	15,600	.14	.19	.14	.16
1	.09½	.04	Hercules Cons.	69,500	.04	.06½	.04	.05½
No	.28	.07	Home Gold	21,400	.11½	.15	.12	.13½
1	.04	.01	Independence	......	.01½	.....	.....	.....
1	.04	.01½	Indian Mines	3,000	.02½	.02	.02	.02
1	.15½	.10	Inter. Coal	......	.15½	.....	.....	.....
1	.42	.29	Jack Waite	......	.38½	.....	.....	.....
50c	.65	.19	Kootenay Belle	950	.48	.49	.46	.47
25c	.02	.00½	Kootenay King	......	.00½	.....	.....	.....
25c	.01½	.00½	L. & L. Cons.	......	.01	.....	.....	.....
1	.01½	.00½	Lakeview	......	.01	.....	.....	.....
No	2.95	2.40	Little Long Lac	......	2.95	.....	.....	.....
10c	.06	.03	Lucky Jim	......	.03	.....	.....	.....
No	.40	.11	Mak Siccar	3,000	.23	.26	.26	.26
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	.33	.09	Meridian Min.	41,200	.10½	.15	.11	.13½
5c	.04	.03½	Metaline Metals	......	.03½	.....	.....	.....
No	.85	.13	Minto Mines	89,550	.23	.29½	.23	.29
25c	.01½	.00½	Mohawk	......	.01½	.....	.....	.....
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.20	Morning Star	9,200	.22	.25	.23	.24
1	.05½	.01½	Morton Woolsey	......	.01½	.....	.....	.....
50c	.09	.03½	National Silver	7,000	.03½	.03½	.03½	.03½
1	.13	.03	Native Sons	3,000	.03½	.03	.03	.03
50c	1.36	.50	Nicola	36,500	.58	.61	.55	.56
50c	.17	.08	Noble Five	21,650	.08½	.08½	.08	.08½
No	.19½	.10	Norgold	7,500	.15½	.18	.16	.17
1	.54	.12½	Pavilion	......	.48	.....	.....	.....
1	14.25	11.00	Pioneer Gold	300	13.50	13.25	13.25	13.25
50c	.18	.08	Porter Idaho	4,500	.08	.09	.08½	.09
No	.02½	.01	Premier Border	9,000	.01	.01	.01	.01
No	.25½	.10	Princess Royal	......	.10	.....	.....	.....
1	.06	.03	Quatsino Copper	......	.03	.....	.....	.....
50c	.19	.06	Red Hawk	......	.10	.....	.....	.....
No	.27	.09	Reeves McDonald	400	.16½	.17	.17	.17
1	1.25	.80	Reno Gold	3,150	.82	.85	.80	.80
1	.15	.07	Reward Mining	2,000	.07	.08	.07	.07
No	.27	.13	Richfield Cariboo	......	.13	.....	.....	.....
1	.03½	.01	Rufus Argenta	5,000	.02½	.01	.01	.01
1	.05	.02	Ruth Hope	......	.02	.....	.....	.....
1	.55	.27	Sally Mines	800	.30	.32	.30	.30
50c	.35	.16	Salmon Gold	500	.16	.18	.18	.18
1	.09	.05	Silverado	......	.07	.....	.....	.....
25c	.04½	.02	Silvercrest	11,300	.02½	.02½	.02	.02
20c	.17	.04	Silversmith	5,000	.09	.09	.09	.09
50c	.03½	.01	Snowflake	......	.01	.....	.....	.....
1	.46	.25	Standard Gold	......	.33	.....	.....	.....
10	6.00	4.75	Sunshine	......	5.75	.....	.....	.....
1	.28	.20	Sunloch	......	.20	.....	.....	.....
No	1.20	.45	Taylor Bridge	22,578	.54	.62	.55	.55
1	.54	.35	Taylor Windfall	300	.35	.36	.36	.36
25c	.05	.04	Thurlow Gold	......	.04	.....	.....	.....
5	.25	.20	Toric	......	.20	.....	.....	.....
50c	.28	.04½	United Empire	2,200	.12	.16	.15	.15
No	3.50	1.40	Vidette Gold	550	2.00	2.00	1.95	2.00
No	.24	.06½	Viking	29,200	.06½	.12½	.08	.11½
No	.27½	.08	Waterloo Gold	1,500	.09	.09½	.09½	.09½
25c	.03	.01	Waverly Tangier new	6,500	.01	.01½	.01	.01½
50c	.47	.10	Whyside	71,150	.10½	.12½	.10½	.12
20c	.03	.01½	Wellington	......	.01½	.....	.....	.....
No	.44	.24	White Eagle	2,400	.26	.25	.24	.25
1	.10½	.04	Whitewater	1,000	.04	.04½	.04½	.04½
			OIL STOCKS					
1	.15½	.08	Amalgamated	6,200	.08	.11	.09½	.10½
1	.08	.03½	Anaconda	5,000	.03½	.03½	.03	.03
No	.12	.05	Askalta	1,000	.06	.05	.05	.05
1	.10	.10	Brit. Dominion	......	.10	.....	.....	.....
1	.10½	.05	Crow's Nest	9,200	.05	.07	.06	.07
No	.09½	.03	Devenish	......	.03½	.....	.....	.....
No	.01½	.00½	Fabyan Pete	7,000	.00½	.00½	.00½	.00½
No	.16½	.06	Freehold	1,000	.09	.08	.08	.08
No	.13	.05	Hargal	1,033	.06	.06	.05	.06
No	.35	.15	High Sarcee	5,300	.20	.20	.18	.20
No	.05	.00½	Madison	5,000	.00½	.00½	.00½	.00½
No	.35	.05	Marjon Oil	3,500	.06½	.07	.06½	.06½
No	.05½	.02½	McD. Segur Ex.	1,250	.....	.02½	.02½	.02½
1	.47	.25	McLeod	245	.30	.35	.30	.35
No	.22	.12	Mercury	3,250	.14	.13½	.13	.13
No	.22	.10	Mill City Pete	......	.10	.....	.....	.....
1	.33	.20	Model	500	.20	.19	.19	.19
No	.18	.06	Okalta	300	.06	.06	.06	.06
100	30.00	18.00	Do., pref.	......	30.00	.....	.....	.....
No	.17	.06	Pacalta Oil	7,200	.07	.09	.07	.07
No	.75	.14	Ranchmen's	1,000	.65	.57	.57	.57
No	.04	.02½	Richfield	......	.02½	.....	.....	.....
1	.42	.20	Spooner	200	.20	.20	.20	.20
No	.11½	.04½	United	3,000	.05	.04½	.04½	.04½
No	.50	.11	Vanalta	6,550	.17	.18	.16	.18
1	.20	.16	Vulcan	......	.16	.....	.....	.....
1	.35	.15	Wellington Oil	......	.33	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield	Company	Rate	Yield
Acme Gas†	2c.	.....	McIntyre	1.62½	3.43
Ajax Oil	8c.	7.14	Mercury Oils	4c.	.....
Bralorne	60c.	3.94	Merland Oils°	5c.	.....
Bulolo Gold‡	60c.	.....	Model Oils	3c.	.....
Coast Brew.	92c.	9.20	Noranda‡	$1	.....
Coniagas‡	12½c.	.....	Petrol Oil‡°	1c.	.....
Cons. Smelters	2.00	.....	Premier	12c.	10.08
Dome Mines	$2+$1.50	8.04	Pioneer, B.C.	60c.	4.39
Falconbridge	5c.	.....	Royalite	50c.	.....
Goldfield Cons.‡°	5c.	.....	San Antonio†	5c.	.....
Hollinger	65c.+30c.	5.36	Siscoe	12+3c.	.....
Howe Sound	$3	.....	Sunshine Min.	5+7c.	.....
Howey Gold	6c.	.....	Sylvanite	20+5c.	.....
Int. Coal & Coke‡	1c.	.....	Teck-Hughes	60c.	8.75
Int. Nickel c.	10c.	.....	Wright-Har.	40+10c.	5.18
Lake Shore	$2+$1	5.60			

‡Interim. †Initial. °Paid in 1933.

Unlisted Mining Stocks

July 3, 1934

Company	Bid	Asked	Company	Bid	Asked
Adanac		.30	Kowkash	.03	.05
Arntfield Gold	.70	.78	Lafayette L. Lac	.16½	.18
Arntfield Synd.	.70	.78	Lake Geneva	.10	.15
Assoc. Gold M. & F.	1.05	1.15	Long Lac Adair	.38	.42
Bankfield Gold	.53	.55	Long Lac Lag	.35	.38
Bathurst	.03	.05	Lamaq. Contact	..	.22
Beattie	1.30	1.38	Lamaque Gold	2.00	2.40
Bidgood	.03½	.05	McCarthy Webb	.05	.07
Big Long Lac	.14	.18	McL. Cockshutt	.48	.51
Black River	.28	.31	McQuaig R. Lake	.43	.45
Bob Tough	.30	.35	Mancey Mine	.18	.22
Bussieres Min.	.60	..	Matachewan Can.	.14	.17
Calder Bosquet	.25	.30	Metals Devel.	.05½	.06½
Can. Pandora	.13	.15½	Middle Bay	.31	.34
Can. Radium	.06	.10	Minefinders	2.00	3.00
Canusa Mining	.06	.08	Martin-Bird Un.	20.00	23.00
Casey Contact	.31	.33	Murwood	.31	.35
Casey Summit	.60	.70	Mosher Gold	.21	.24
Cen. Malartic	13.00	17.00	Mont. Acker	..	.30
Cent. Porc.	.49	.54	N.A.M.E. Units	11.00	13.00
Clover G. Units	39.00	43.00	Newroy Gold	.31	.34
Clover Gold	.23	..	Normetal Mine	.50	..
Cochenour Wil.	80.00	90.00	North West Min.	.22	.25
Columario (old)	.15	.20	N. Tiblemont Units	5.00	10.00
Condor Cons.	.30	.33	Nu Sigma Gold	24.00	26.00
Continental Kirk.	.04½	.07	O'Connell Gold	..	.38
Craw. Sud. Syn.	..	12.00	Payore Mines	.22½	.25
Crown Reserve	.05½	.07½	Peninsular Pet.	.00½	.01
Cuniptau	.52	.60	Pontiac Rouyn	.67	.73
Delta Units	45.00	65.00	Powell Rouyn	1.04	1.08
Demers Placer	.85	.90	Que. Eureka	.09	.12
Domest. Gas	1.50	2.00	Queen Lebel	.20	.24
Dorval Siscoe	..	17.00	Rice Lake	.70	.73
Dunlop Cons.	.01½	.02½	Rouyn Reward	.35	.37
Eagle Oil	.65	.75	Roche Long Lac	.24	.26
Excello Mines	.25	.28	Rubec	.03	.04
El Bonanza	.16	.20	Scotia Gold	.32	.37
Fleming Thomp.	55.00	75.00	Senneterre Gold	9.00	14.00
Glenora Gold	..	.30	Silveradium U.	100.00	130.00
Gold Eagle	.52	.54	Silver Valley	.03	.05
Goldside Stk.	.25	.30	Smelter Gold	.27	.30
Gr. Bear Dev.	.20	.25	Sourdough Un.	5.00	10.00
Gr. Bear Lake	.27	.37	So. McK. Island	.33	.35
Gabrielle	.73	.77	Supreme Gold	.18	.20
Hardrock	.70	.75	Talisman Gold	.40	.45
Hardrock Units	57.00	60.00	Tashota Goldfield	.38	.42
Herbin L. Un.	18.00	22.00	Tiblemont Island	1.10	1.18
Horseshoe	.12	.14	Titurno Units	..	20.00
Hudson Pat.	.56	.59	Toburn	1.30	1.36
Internat. Gold	..	.34	United Gold	1.00	1.10
Island Lake	.08	.12	Upper Can. Gold	.26	.28
Johnson Nipigon	..	.30	Wendigo	.68	.74
Jomac Synd.	34.00	37.00	Young Davidson	.30	.35
Kenty Gold	..	.70	Wingold	.36	.39
Kirk. Gold	.24	.28	Wanapitei	..	27.00

Source of quotations on application. Not guaranteed.

HOLLINGER MINES LOSES ITS MILL IN MATACHEWAN

See Importance in Leached Out Area Showing Enrichment at Depth

The new 800-ton mill at the Young Davidson property in the Matachewan area of Ontario, under the management of Hollinger Consolidated Mines, was destroyed by fire early this week. Full reports are lacking but officials believe the plant was struck by lightning. Not only the mill but much of the surface plant was destroyed. It is thought it was fully covered by insurance.

The property was one of the early finds in the Matachewan area and after lying idle for many years came into prominence last year when the higher price of gold gave a new aspect to its potentialities. Hollinger took an option and started exploration work last year, with the result that a large low grade ore body estimated to contain 2,500,000 tons of ore averaging about .011 in gold was developed. The new mill was completed a few weeks ago and is supplied with electric power from the Hydro-Electric Power Commission of Ontario.

The most recent reports from the property, but lacking official confirmation, is that a leached out area, giving almost barren results to surface sampling, shows a secondary enrichment at depth and calls for a new interpretation of the ore possibilities of the property. It is said that the new conditions found may completely alter the presently regarded low grade aspects of the property and a careful study is under way.

Kowkash Holdings Report Shows Assets of $11,264

A report by Kowkash Holdings Ltd., formerly the Tashota Gold Mines, a holding company owning 900,000 shares of Tashota Goldfields, shows that the company has current assets of $11,264 comprising $70 in cash and $11,194 in accounts receivable. Current liabilities total $11,712 including demand notes of $9,945.

Asbestos' Bonus Scheme Killed by Shareholders

Trustees' Plan to Let President Massie Have 10,000 Shares at $4 Each Meets With Disapproval

From Our Own Correspondent

MONTREAL. — Asbestos Corp.'s share-bonus plan for its president was defeated by a majority vote at the special meeting of shareholders.

It had been proposed to issue to Col. R. F. Massie, president of the company, 2,500 shares annually, in lieu of the difference between the $12,000 per annum he now receives and the $22,000 at which his remuneration would be set in accordance with the Board's agreement with Col. Massie last October.

The Board had given approval to this arrangement, but in view of opposition, a special general meeting was called to determine the attitude to be adopted by the trustees with the share-bonus plan.

Opposition to Plan

Those opposing the proposal did so on the ground that the contemplated payment was exessive, that the state of the times and the corporation's position did not justify it, that it had not been shown that Colonel Massie's management of the properties had been more than ordinarily successful, that the improved results of the past year had been as much due to more propitious general conditions as to the president's initiative, and that, in any case, if the corporation's board wished to remunerate Colonel Massie to the extent of $22,000 per annum, it should at least give to the shareholders an opportunity of subscribing to the necessary number of shares at the admittedly nominal rate of $4 per share, if funds had to be raised to supplement the treasury.

Reply to Criticism

In reply to these criticisms, Hon. Walter Mitchell, K.C., explained to those present the course the board had pursued in the entire matter. The board had felt that it had in Colonel Massie a very valuable and efficient managing director. It had accordingly decided on the course outlined in the plan, to wit, that Colonel Massie's remuneration be fixed at $12,000 in cash per annum, and that in lieu of $10,000 additional, there be issued to him in each year 2,500 shares or voting trust certificates to which a nominal valuation had been given, at the insistence of the corporation's auditors and eminent counsel, of $4 per share. He pointed out that at the time this agreement was reached last October the market value of the shares was then very considerably below today's level; that while it was true they had appreciated in the meantime, Colonel Massie must take the chance of their being considerably lower at some future date. Moreover, under the terms of the proposal, Colonel Massie was not to sell or otherwise dispose of such shares without the board's consent, and in addition, the board could dispense with the president's services at the end of any calendar month on three months notice.

Several questions were asked of Colonel Massie as to the corporation's progress since 1929, the year when he took office. In response to these queries, the president said that in 1929 the corporation was operating at a heavy loss and facing a shutdown, the first five months of that year resulting in an operating loss of $141,000.

In 1933, the loss for the five months was held to $206,000, but this year the same period's operations had resulted in a loss of only $51,000. Working capital at May 31 was only slightly below that of December 31, 1933.

New and more efficient methods had been introduced at the mines, and these had materially improved the ratio of recovery and lengthened the mines' prospective life.

Shipments for the first five months, he announced, were 31 per cent ahead of a year ago.

The corporation's ore reserves, he stated, can be conservatively estimated at some 17 million tons.

In 1929, recovery averaged 3 per cent; now it averages around 6 per cent. The King Mine, he added has an expectation of life of another 16 years.

Veteran Saskoose Mine Plans Resumed Operations

Development work has been started by Saskoose Gold Mines at its property east of Wabigon Lake in the Kenora district of Ontario, where it holds six claims. The company also owns four claims on Contact Bay in Wabigon Lake.

Operations on the property were suspended in 1902, up to which time 7,735 tons of ore were treated. Development work consisted of sinking two shafts, one to a depth of 250 ft. and the other to a depth of 100 ft. Some 400 ft. of drifting has been done on No. 1 shaft along the vein. The present programme includes sinking to a depth of 500 ft., with development work at four levels. Financing arrangements to cover a large scale development schedule are said to have been completed.

Indian Mines Corp. Still Marking Time

A financial statement of Indian Mines Corp. dated December 31, 1933, shows current assets of $6,714, including mine supplies valued at $2,729. Current liabilities total $13,833, representing loans and interest on loans since April 30, 1926. Out of an authorized capitalization of $3,000,000 in $1 par value shares, 2,701,405 are outstanding.

The company's property, six miles west of the Premier Mine in the Portland Canal mining division of British Columbia, has been inactive since 1925 pending developments on the adjacent property of the Big Missouri Mines.

Atlas Gold Mines—This company has under option the Chieftain Mine in the Arrow Lake region of B. C. The "Pongo" group of claims in the Bridge River District was acquired for cash and active development work is under way. The company is also said to be examining a property in the Kenora district of Ontario.

Central Malartic Syndicate — A meeting of unit holders is called for July 6, in Toronto, to consider forming a new company and transferring the assets of the syndicate to a new company known as the Central Malartic Mines Ltd., having a capitalization of 3,000,000 shares. The exchange basis will be decided at the meeting.

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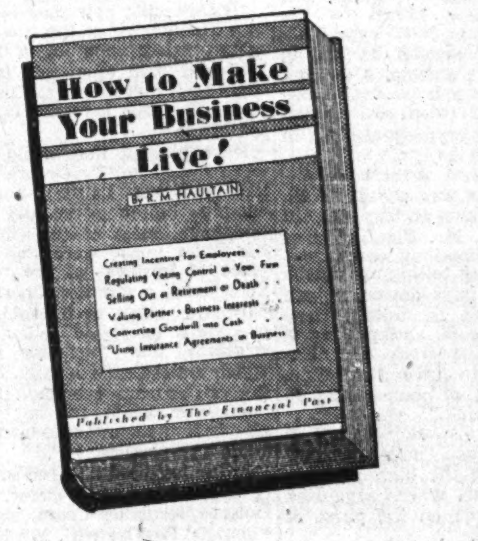

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President and Managing Director,
Room 910, 25 King Street West,
TORONTO, CANADA

ONTARIO MINES
Metal Production and Dividends Paid by the Mines of Ontario, Canada's Premier Province, to the end of 1933.

	Production	Dividends
Gold	$500,900,000	$153,108,020
Silver	$257,300,000	$ 97,691,281
Nickel	$359,300,000	$149,723,449
Copper	$148,100,000	
Total	$1,265,600,000	$400,522,750

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Minister of Mines
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Hedley-Sterling's Tunnel Cuts Vein No. 1, 2 and 3

Hedley-Sterling Gold Mines which took over the Sterling Gold Mines last December, is driving No. 0 tunnel in the mineralized zone to cut Nos. 1, 2 and 3 veins at depth.

The property has been reported on by J. G. Galloway, formerly provincial geologist of British Columbia. The No. 0 tunnel is at an elevation of 2,700 ft. Three other tunnels have been established at elevations each 100 ft. higher.

The property comprises 12 claims on Sterling Creek about five miles west of Hedley, B.C.

The company has an authorized capitalization of 2,000,000 shares of no par value, 200,000 of which were offered by Colquhoun DeWolf & Co., of Vancouver at 25 cents per share which netted the company $40,000.

Mining Issues Help Montreal Stock Trading

From Our Own Correspondent

MONTREAL.—Sales on the Montreal Stock Exchange and the Montreal Curb Market totalled 2,239,681 shares in June compared with 1,815,643 shares in May and 4,205,946 shares in June a year ago.

On the Montreal Stock Exchange sales for the month were 244,847 shares compared with 313,373 in May and 1,565,359 in June a year ago. Montreal Curb Market sales amounted to 1,994,834 shares, consisting of 1,842,030 shares of mining stock and 152,804 shares of miscellaneous stocks. Curb Market sales in May totalled 1,502,270 shares consisting of 1,301,598 mining shares and 200,672 miscellaneous shares. In June last year 1,936,431 mining shares and 704,156 miscellaneous shares, a total of 2,640,587 shares, we sold.

SPEEDY REVIVAL AT MICHIPICOTEN SEEN BY VISITORS

Five New Operations Started in Last Twelve Months

IS OLD AREA

Stagnation of Past 13 Years is Wiped Away Practically Over Night

A tour of the Michipicoten area, recently conducted under the auspices of the Sault Ste. Marie Board of Trade, provided an opportunity to compile a survey showing mining activities in the district up to date.

Not counting the Minto and Parkhill Mines, the two chief operators in the district, five new operations have come into being in the last twelve months in this area. These new companies are the Stanley, the VanSickle, the Wawa Goldfields, the Centennial and the Mackey Point. More than 100 men have found employment and, not counting installation costs, the new development represents an investment, in machinery and buildings, of about $150,000. In the last year the population has grown from less than 400 to over 800.

Since March, 1921, when the Magpie Mine closed down the Michipicoten, this district was practically stagnant; except for pulp-cutting operations, old workings and a wagon road, much of it corduroy, were the only reminders of the first gold boom days of 1898-99 when Wawa City was at its height. The old road, which linked the Horneblende, the Cora, the Jubilee, the Minto and the Grace mines, became overgrown with alders and was utterly deserted prior to the current revival. The Parkhill mine was not existent and was only a four ft. width of quartz vein cleared by William Longbottom some years before.

Recovered Speedily

Michipicoten reflected the revival in gold mining with amazing speed, until today it is a busy area served with good roads and boasting one of Canada's highest grade gold producers. Parkhill Gold Mines during the first six months of its fiscal year had shown an operating profit of $100,000. During 1933 this mine treated 11,565 tons of ore from which was recovered $195,230. In the first quarter of 1934 this mine recovered $47,997 from 4,423 tons milled. At the time of the survey 104 men were carried on the payroll.

Under the direction of R. E. Barrett the shaft has been carried to a depth of 1,000 ft., going down on the dip of the vein and operations are now under way to establish a ninth and possibly a tenth level which will extend the workings to a depth of 1,350 ft. The mill was handling from 50 to 60 tons a day and recovering from $20,000 to $30,000 monthly. Although its total capacity is 100 tons a day, Mr. Barrett explained that it was found necessary, because of the high-grade ore being handled, to hold down tailing losses. About $320,000 was spent on development, mining and milling equipment to bring Parkhill into production.

Centennial is Busy

One of the oldest mines in the area is now being operated by the Centennial Mines on the old Kitchigami property. Shafts on this property were put down during the gold boom in 1899 and were still full of water. W. H. Lewis, in charge of operations, explained that this water would soon be pumped out to allow complete examination and sampling of the ore bodies to whatever horizon the shaft penetrated. Three parallel veins have been exposed on this property, the longest being easily traced over a distance of 1,600 ft. Camps are now being built in readiness for the crew of men who will shortly be at work on the property proving it up. At first from 12 to 15 men will be employed.

Power will be provided by the near-by plant of the Algoma District Power Co. at Michipicoten Falls, half a mile away. The power line is already installed and transformer foundations are now being put in. A small compressor and other mining equipment is already on the ground.

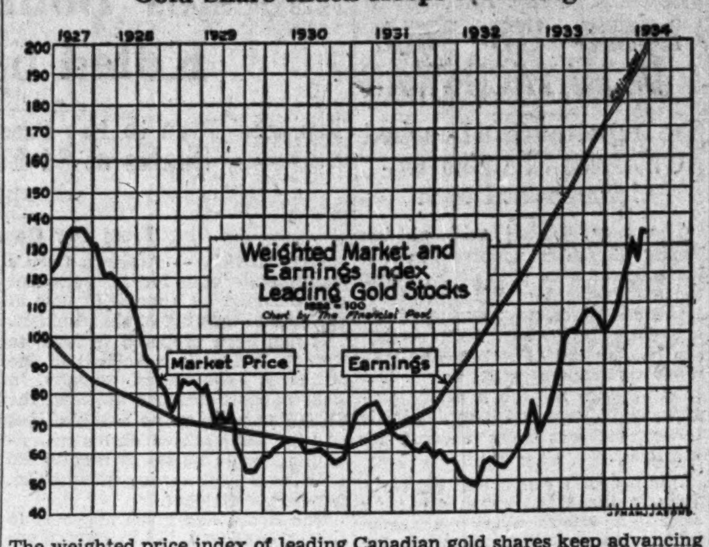
New Syndicate Takes Option On Seven Herb Lake Claims

Owner of an option under which it is entitled to purchase seven mineral claims owned by the Mammoth Mining Corp. in the Herb Lake district of Manitoba, Fifty-Three Syndicate has recently been formed, and is offering 25,000 shares at $1. per share.

In consideration for the assignment of this option, the vendors have received 65,000 shares in the syndicate, which has been incorporated under a Manitoba charter. If the option is taken up, vendors will receive $25,000 in cash and 300,000 fully paid non-assessable shares in a company to be formed. If exploration and testing work prove the property to be a valuable one, this new company will be formed with a capitalization of not more than 4,000,000 shares, and will acquire title to the property by issuing 1,200,000 shares of its own capital stock to the syndicate and, in addition, $25,000 in cash.

Officers of the new syndicate, which has an authorized capitalization of 150,000 no par value shares, include; H. R. Drummond-Hay, president; Athol McBean, vice-pres.; F. W. Louthood, sec., and D. Nicholson, treas., all of whom are from Winnipeg. R. J. Jowsey, of Toronto, is among the directors.

Gold Share Index Keeps Mounting



The weighted price index of leading Canadian gold shares keep advancing according to the figures compiled by the Dominion Bureau of Statistics.

Downtown 'Boiler Factory' Sucker's Slaughterhouse

High-pressure Selling Seen from Inside by The Financial Post Reporter

When the well-groomed young man said he worked in a boiler factory, this reporter's curiosity was aroused.

The spotless linen, the well pressed grey flannel suit, and the white panama, looked like a strange union suit for a boilermaker. The sleek young man sensed the paradox and laughed.

"Not that kind of a boiler factory," he said. "If you're not doing anything for a few minutes, I'll show you a boiler factory from the inside. Only once we get in, don't ask too many questions, or look too curious. We're not supposed to bring the uninitiated into this kind of a boiler factory."

He led the way into a mahogany panelled office, in the hub of Toronto's downtown section. The name of a little known broker appeared on the windows and door. Inside, the furnishings were new and expensive. A crowd of men, and a few women were gaping at the board through a blue haze of tobacco smoke. If it had been night, and the crowd a little more distinguished looking, they might have been waiting for the floor-show in a night club. If they had jobs to go to, that was the last thing they were thinking about.

The sleek young man led the way through this room, and through a little swinging door at the back. Then up a flight of stairs to the second floor, down a corridor and into a long room, where one got the first glimpse of the boiler factory motif. "Glimpse" is hardly the word. It would be more exact to say—where the boiler factory motif was crashingly apparent.

"Buy — Sell"

At a long table down the middle of the floor, sat 12 other sleek young men. In front of each was a telephone, a paper pad, crammed with names, a spike, crammed with order forms, and a telephone directory. At the moment of entry every telephone was being used, and the din of conversation pretty appalling.

A young man at one end of the table was saying, in confidential American accent; "Down on the street, of course, sir, everybody knows that the election is sure to send gold stocks soaring. I thought I'd just slip out and pass the word along to you, in case you wanted to buy before everybody else got in on the market."

At the other end of the table, another young man was saying, "Well, if you want to hang on to your gold stocks you can, Mr. Blank. You're pretty astute at handling your stocks. However, I'm just telling my clients what the wise guys downtown are doing, and that is, taking their money out of gold, and putting it in some good silver stock. The election is bound to have a reaction, you know. But of course, just do whatever you think."

This, then, was what is known in financial circles as a "boiler factory." This was where the high pressure selling was done, where organized drives were made on the purse of Mr. John Public.

An Eager Lamb

But a few minutes in this room made it apparent that this same Mr. J. Public was not entirely the passive victim. Occasionally one of the telephones rang and somebody apparently asked for advice. There was something almost pathetic about this naivete. It was worse than a lamb being led to the slaughter. It was like a lamb walking up to an under-stocked butcher, and asking to have its neck tickled with an axe.

According to agreement, no questions were asked of the sleek young guide until after the noisy boiler house had been left behind. Then he was more than ready to talk "shop."

Most of the men in this particular office, he explained, were imported from across the border, and had many years training in the subtle art of crooked finance. In payment for this training, many of them had served terms in jail.

A Real "Smoothie"

"That black haired chap at the end of the table is a smoothie" said the informant with enthusiasm. "He makes big money. He's just finished serving five years in some U.S. pen. A lot of these chaps are fingerprinted and photographed by Canadian authorities, since the influx of ex-jailbirds became so great. I guess they are trying to check up on the records of some of these boilerworkers."

The "boilerworkers" were paid by a drawing account and commission. It was not very often that a clash of advice occurred, as had been witnessed in the case of the gold stocks. He couldn't explain that. Usually the salesmen were told by their employers, also slightly removed from the yegg class, what stocks to sell. As a result there was usually a certain unanimity.

The lists of names with which each was equipped were known to the trade as "sucker lists." They were obtained in a number of ways. Regular lists could be bought from dealers, but these were not thought very highly of by the salesmen. Most sought after, and hardest to get, were lists of shareholders of various companies. A common way to prepare a sucker list was to send out cards offering free investment advice or information about some particular stock. The answers to this "bait" were filed, and lists prepared. It would probably amaze many a self-styled investor, who speaks with pride of "his broker," or financial "advisor," if he knew that his name was one of many on a sucker list.

"Money Rolls In"

"It's amazing how they bite," said The Financial Post informant. "The money fairly rolls in, in $25, $50, $100 and $200 amounts. It is the small man that makes the best prospect. The big investor is usually too astute."

He explained that while brokers were forbidden, by Ontario's Blue-Sky laws, from house-to-house canvassing, either personally or by telephone, most of the calls from the boiler house were made to the place of business of the "sucker." Sometimes, a circular, boosting the particular stock to be sold, would precede a telephone call, and thus establish the "business contact" which is necessary, legally, before a sale can be made over the telephone. Sometimes, again, the law is completely flouted, and calls made to the home of a prospect.

In the last month, three such boiler shops have been closed by the Ontario Securities Commission, The Financial Post learned. While as yet, there is nothing in any legislation forbidding selling stock by telephone, it is hinted in authoritative circles that steps will soon be taken to ban this kind of exploitation. Usually the charge against these places is failure to register.

Until a parental government can get around to forcing protection on a public apparently loath to be protected, the boiler factory will probably continue to thrive in back offices, and hare-brained speculators to be secretly flattered by receiving invitations to the slaughter.

Chromium Concern Lets Diamond Drill Contract

A diamond drilling contract has been let to Smith & Travers of Sudbury for 20 holes to be put down on the Chromium Mining & Smelting Co. chromite deposits at Obonga Lake, near Collins, Ontario. This is to be the first step toward an aggressive programme of development to prove up the ore possibilities of the property. A. R. Globe, president of the company, estimates 350,000 tons of high-grade ore and plans for the future call for the installation of a mill and concentrator capable of handling 75 tons of ore daily.

Pickle Crow Stock Listed in Montreal

From Our Own Correspondent

MONTREAL. — Montreal Curb Market announce the listing of 3,000,000 shares of $1 par value of Pickle Crow Gold Mines, Ltd. Ticker abbreviation is "P.L."

Findings Warrant Mill at Norgold, Say Officials

Development of the Norgold Mines, incorporated last December and owning 32 claims including the Spokane group, nine miles from Taku Arm of Taku Lake in the Atlin mining division of British Columbia, continues to give encouraging results and officials report that the summer's work indicates a mill as justified.

Four tunnels have been driven into the hillside and the vein has been traced for a horizontal length of 3,000 ft. and to a vertical distance of over 1,500 ft. The best showing is reported in the upper or incline tunnel where the vein averages 30 inches in width for 12 ft. of tunnel length with an average of two samples giving .68 oz. in gold and .18 oz. in silver per ton, according to the report of the Minister of Mines. Officials report 117 ft. of ore averaging six ft. and assaying one-half ounce per gold with an average along 70 ft., 3½ ft. wide giving one ounce per ton gold.

Of the authorized capitalization of 5,000,000 shares no par value, 2,001,400 are outstanding. The company has approximately $29,000 on hand received from the sale of 500,000 shares at eight cents net to the treasury. The company is headed by W. L. Sheeler of Vancouver.

CAN SEE NO NEED FOR LATEST PLAN BEFORE LAKELAND

Shareholders to Vote on Pollard's Proposal to Form New Co'y

Official notice to shareholders of Lakeland Gold Mines over the signature of A. W. Morris, secretary, states that directors have passed a by-law and a special general meeting of the company is called for July 5 to ratify a reorganization of the company.

Under the plans of reorganization the new company will be formed with an Ontario charter and a capitalization of $2,000,000 in $1 par value shares. All the assets and liabilities of the present company will be transferred to the new company and old shareholders will receive one new share for each four shares presently held. Under the transfer agreement the shares exchanged are to be held in pool until the mine is in production or sufficiently financed or sooner, if deemed advisable by the directors. When the transfer is completed the old company is to be wound up.

Shareholders received a shock when the reorganization was advised, for last December they were told of the construction of a mill on the property and of the great success that was being enjoyed in the finding of ore under the mine management of Oscar Knutson.

Give No Reason

No details as to why refinancing is necessary are given and a few weeks ago some 500,000 shares were still available with which to complete financing. Apparently this is not sufficient in the eyes of F. A. Pollard, chief sponsor, and the new set-up will provide a little over 1,000,000 shares to sell to the public. Another interesting suggestion in the proposed reorganization is to pool all the shares that have been sold in the past and give a free hand to the new financing sponsors to effect a controlled market for the shares should they desire.

OLD COLONY LIFTS GOLD EXPORT BAN

Newfoundland Paying 3% on Loan Guaranteed by Canada

Loan of $625,000 made by Canadian banks under guarantee of the Dominion Government to the Newfoundland Government to assist in the meeting of the island's debt maturities at Jan. 2, 1933, is now bearing only three per cent interest, according to reports from the island. It will be recalled that the Dominion and the British Governments each arranged to raise half the sum required to meet the obligations.

The Newfoundland commission-of-government has recently lifted the embargo on exports of gold from the island. It has been suggested by Newfoundlanders that the gold embargo was imposed by the former legislature at the behest of Canadian banks. It is claimed that the reason for the embargo was to prevent Newfoundland becoming a back door exit for Canadian gold. Notes of the Canadian banks circulate on the island, and might become an indirect medium for draining gold from Canada.

Gold and Loans

It is reported that the $625,000 loan was not funded in the Newfoundland debt conversion early this year so that no change in the gold export embargo would be necessary. Canadian banks are said to have made a loan to Newfoundland in 1931 on condition that the island impose a gold export embargo, to terminate upon repayment of the loan at Dec. 31, 1934 or earlier. The 1931 loan has been repaid.

Since Canadian banks' notes circulate in Newfoundland, it is believed that measures will be devised to prevent islanders from draining Canada's gold. But Newfoundlanders who now hold gold will be allowed to export it.

B. R. X. GOLD TO BUILD MILL THIS AUTUMN

Finances Have Been Arranged, Officials State — Shaft Nearing Objective

From Our Own Correspondent

VICTORIA.—Finances for the construction of a mill at the property of B.R.X. Gold Mines have been arranged and erection will probably commence in the fall, according to A. E. Jukes, vice-president of the company, who returned to the coast this week from Eastern Canada.

It is expected that the three-compartment shaft will have reached its objective by the end of July, at which time, after some cross-cutting, it is the intention of the company to begin work on the mill.

A short distance above the present level in the shaft ribboned quartz carrying .8 oz. gold was uncovered. This is believed to be the same mineralized section cut by the diamond drill earlier in the year at approximately the same depth. The main objective, the California vein should be encountered at 500 ft.

Report Butte I.X.L. Cuts Highly Mineralized Vein

From Our Own Correspondent

VICTORIA.—A 10 ft. quartz vein, highly mineralized and showing free gold has been cut on the property of the Butte I.X.L. Gold Mines, it is reported.

This is believed to be the Miller vein beyond the fault zone and as such is looked upon as an important discovery. The present crosscut tunnel is being driven rapidly toward the next objective, the Morris vein, which parallels the Miller vein and lies about 200 ft. east of it. The crosscut has been advanced 110 ft. during the past ten days and company officials state they expect to encounter the Morris vein before the end of June.

Harbor Developments

It is announced that the reconstruction of the four berths of the harbor in West Saint John, disused since 1931, will be undertaken some time this year, the sum of $2,000,000 being included in the recent federal estimates for this purpose.

Diana Gold Mines Mills High Heads During Initial Run

The new 50-ton daily capacity mill is working at one-half capacity, according to a wire from Douglas G. H. Wright, consulting engineer of Diana Gold Mines, formerly Gem Lake Gold Mines. Heads are running $13.20 with gold at $20 per ounce. Tailings are $1.80.

A new vein is reported discovered on the surface. At the present time 38 men are being employed and all surface discoveries are being followed out. It is expected to bring the mill up to full capacity, working three shifts daily at an early date. A contract for 10,000 ft. of diamond drilling has just been let as part of an extensive exploration programme.

The complete report of Mr. Wright is expected shortly.

MINE FINDERS BACK DUPARQUET REVIVAL

Thorough Geological Survey and Diamond Drilling Programme Launched

Duparquet Mining Co. has recently completed financial arrangements and a thorough geological survey and diamond drilling is now under way under the direction of Mine Finders, Ltd.

The company owns 10,037 acres in Duparquet township where an incline shaft was sunk 60 ft. during 1928 and 1929. Later a vertical shaft was sunk to a depth of 190 ft. where some 3,000 ft. of drifting and crosscutting was done on the 175-ft. level. Through inability to raise money at that time, the property remained closed until interest was created in the district by Beattie Gold Mines.

Previous work disclosed a low-grade ore body with some high-grade sections and the present diamond drilling programme is to co-ordinate previous information which takes on a new commercial aspect with the present price of gold.

The company is not to be confused with the Duparquet Rouyn Mining Co., which is an entirely different organization.

The company is headed by James Cooper of Montreal as president. Hon. L. A. David, K.C., of Montreal is a director.

Assets of Lake Maron Are Shown as $136,000

At the annual meeting of shareholders of Lake Maron Gold Mines, held in Toronto on June 25, shareholders were advised that the company had $32,000 in cash and investments in mining companies which had a market value of $104,000. Current liabilities total $320. Frank H. Bell, president of the company reported its holdings included 24 claims in the Little Long Lac area, adjoining the Long Lac Lagoon Gold Mines, one-half interest in two groups of claims at Reed Lake, and Morton Lake, Manitoba, also the company's original holdings in Dasserat township, Quebec.

Operations at the present time are under way at the Little Long Lac claims, also at the Reed Lake claims, and it is planned to resume operations at the original Quebec property in the near future.

A further increase in the capitalization is planned. Of the present authorized capitalization of 2,500,000 shares, 2,390,000 are reported as issued and it is proposed to increase the capital by an additional 1,000,000 shares. The existing board of directors was re-elected.

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NOTICE TO SHAREHOLDERS OF
Nicola Mines and Metals Limited
It is advisable that SHAREHOLDERS of NICOLA MINES AND METALS LIMITED (Planet Mines) have their shares transferred immediately into their own names. Transfer office is Montreal Trust, Royal Bank Building, Vancouver, B.C., or SEND CERTIFICATES to PETER L. BANCROFT, PRESIDENT of the Nicola Mines and Metals Limited, who will see that the transfer is promptly made. Matters of great importance to the shareholders are to come before the ANNUAL MEETING on August 7th, and it will be in your interest to send your PROXIES to the PRESIDENT without delay.
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Kirkland Gold Belt Adds 250 Ft. to Depth of Shaft

Kirkland Gold Belt Mines is deepening its shaft from the 500- to the 750-ft. level and officials report 30,000 tons of ore averaging between $12 and $15 per ton developed.

The properties comprise 292 acres in Lebel township, formerly known as the Wood Kirkland Gold Mines. Sufficient cash is reported to continue a development programme, but Mid-Continent Goldfields Ltd. no longer acts as the fiscal agents. Last year the capitalization was increased from 3,000,000 shares to 4,000,000 shares authorized. At the present time 2,775,835 shares are outstanding. The company is headed by George W. Morris of Buffalo as president.

SPECIAL ANNOUNCEMENT
Owing to important developments at the property of "FOUR NATIONS CONSOLIDATED GOLD MINES LIMITED" at Kirkland Lake, Ontario, H. W. Waters & Co. Limited (underwriters) wish to announce that no shares will be offered from the Treasury of the FOUR NATIONS CONSOLIDATED GOLD MINES LIMITED until after August 1st, 1934. H. W. Waters & Co. Limited will, however, execute orders from the open market at the market price.
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"**Tell Britain** that Canada thinks that the British Empire, which buys practically all of its war equipment from the British Isles, will be better satisfied if the factories which produce their war equipment are British in fact as well as name, and not international armorers, as they are today, supplying potential enemies of tomorrow with the best that they produce.

"**Tell Britain** that Canada hopes for leadership which will place the British Empire at the forefront of the move to assure that men shall no longer make profits from the business of supplying instruments of death and destruction whose only use is the slaughter of their fellow men, and that it believes this can only be done if Great Britain will decide immediately to appoint a committee to investigate its own armament business.

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"**Tell Britain** that the bonds of Empire were never stronger than they are today, but in the vitally important question of preparation for the possibility of war, 'we must know whom we serve, and to what end.'"

By
Lt.-Col. George A. Drew

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